Opportunities in the Mines *Twelve-Page Supplement*

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

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The Nation's Business

Public Pays, Farmer Collects, Export Bonus

May Commission Needed for Canada

C. N. R. Loss Over $100,000,000 In 1932

A New High

From One Pocket Into Another

OTTAWA threw another "uncontrollable" expenditure into federal finances when it introduced the agricultural stabilization fund which aims to reimburse producers of fourteen leading agricultural products (exclusive of grains) sold on the British market.

Opinion seems unanimous that the plan devised by the government to compensate those who sell fish, meat products, canned goods and so forth in terms of a depreciated currency, is perhaps the best of its kind that could be introduced.

Few though are sure it will be successful. Also there is no disguising the fact that the $6,000,000 or $10,000,000 which the government expects to spend in this direction in 1933, is merely another handout to producers and exporters of the listed commodities. Another burden on the backs of sadly-burdened taxpayers to bonus a considerable body of producers who for the most part have become very articulate in urging inflationary policies to enable them to sell their wares in the "sterling" countries of the world. Ten million dollars may have seemed an inexpensive way of relieving this particular situation.

* * *

TOTAL trade affected by the plan on the basis of 1932 figures is approximately $24,000,000. Chief group to benefit is thought to be the hog and packing industry because in this case (since the introduction of a drastic quota law by Great Britain last November) Canada is in the position of a preferred seller and there seems little chance of the benefit going largely to the British consumer through the economic pressure of foreign competition. If Britain were to revise her preferential treatment to Canada as a result of this federal bonus, the situation might of course be radically altered.

Those who view philosophically the world-wide epidemic of trade and exchange restrictions and government intervention in the free flow of economic and price relationships will probably find in the Canadian agricultural stabilization fund just another and perhaps not very important addition to the already hopelessly muddled jig-saw of international trade. They will argue that until a world economic conference comes along to solve this tangled puzzle, Ottawa might just as well play the game too, on a basis as nearly equal to that of her fellow players as possible.

* * *

THERE should be no delusion, however, as far as the federal treasury is concerned, that the fund is anything but another tug on the federal purse-strings and those who are weary of additional tax burdens must first be sure that they are not themselves profiting by some corresponding device — perhaps under the guise of a Maritime freight rate act, a coal bounty, or government buying in the wheat market—before they call the pot black.

As an alternative to the inflationary policy which recipients of the agricultural bonus so largely advocated, the new device may prove a comparatively cheap substitute. As an expedient to gain some further measure of equality in the world-wide race to strangle international trade, it may perhaps be condoned. As sensible legislation in a common-sense competitive economy it would find little justification.

* * *

Finding the Way To Balance Budgets

LOOKING significantly in the direction of The Financial Post, the Ottawa Journal professes to be tired of people who are crying for balanced budgets without showing where or how the budget may be balanced. A scattered few among our readers have written in suggesting that The Financial Post should outline ways and means by which the government could achieve the budget balance that this publication has constantly declared to be essential to financial stability in Canada.

During the past two years, The Financial Post has dealt specifically with many items of wasteful or extravagant expenditure in federal administration and the sum

(Continued on page 2, col. 3)

GOV'T LOSSES ON SUGAR TAX ARE $5,000,000

"Leak" at Ottawa and Time Factor Rob Federal Coffers

MAY CAUSE CHANGES

Government May Attempt Retroactive Measure and Change Hour of Future Budgets

From Our Own Correspondent

OTTAWA.—As a result of advance information on the government's two cent sugar tax appearing in the press, it is now clear that consumers anticipated their needs at least three months in advance. The government, due to this advance information, has lost approximately $5,000,000 of the $20,000,000 which it was expected the new tax would yield this year.

There is much heart-burning in official circles as a result of this "slip" in budget information which is supposed to be secret. There may be an investigation to discover how the news leaked out. There may, also, be a change, in future years, in the hour at which the budget is brought down in Parliament.

Time Factor Important

In addition, the result of the time change in Canada, upon the sugar tax was, to put it simply, disastrous. Hon. E. N. Rhodes began his speech about 3.30 o'clock in the afternoon. That was at 2.30 p.m., Winnipeg time; 1.30 p.m., Saskatchewan and Alberta time; 12.30 p.m., at Vancouver and Victoria. The speech was released to the newspapers across Canada almost immediately after Mr. Rhodes began, and the new taxes became public property in Western Canada a few minutes later.

At Winnipeg the enterprising merchants and public had nine and a half hours to load up with sugar before the new tax was effective. The two Western prairie provinces had one hour more, and Vancouver nearly 12 hours. Sugar refineries and warehouses did a land-office business. It is reliably reported to Ottawa that at Vancouver, scores of trucks were hired to cart sugar from the refineries to private warehouses, even to private homes.

May Delay Budget

There is, of course, but one remedy for this situation, and it is to delay future budget speeches until 8 p.m., at night, when commercial houses will be closed for the day.

In Eastern Canada, however, the sugar tax was generally anticipated, with equally disastrous effects upon the national treasury.

The government is seriously considering amending the sugar tax resolution in committee to make its provisions retroactive for, say, one or two days. Before doing so some check-up will be made on last minute sales, to discover if the bulk of the purchases were made in the 24 hours preceding the budget speech.

Could Government Collect?

Another facet of the problem which is occasioning considerable worry, concerns the ability of the government to collect the tax on much of the sugar purchases in advance of necessity. The statute which applies to this class of taxation stipulates that all goods shall be taxable if, "sold" after a given hour. But what precisely, is the legal definition of "sold?"

Early in the week the government took the position that "sold" must mean paid for and delivered. That is, the tax would be collected on all sugar whether ordered or not, unless it had been paid for and delivered. It is freely admitted that this represents a rather wide interpretation of the law, and it is doubted if the courts would not rule that a contract to buy at a future time constituted a sale.

If the bulk of the advance purchases can be caught in this way, the government probably will be content with insisting upon this interpretation. But if the occasion calls for more strict measures, there probably will be legislation dating the sugar tax back until Monday, March 20, at midnight.

Views of Industry

MONTREAL. — Sugar refiners are non-committal in their attitude toward the new tax of 2 cents a pound levied on refined sugar by the

(Continued on page 2, col. 3)

Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

The Mines on Parade

Canada's gold, silver and base metal mines dissected for investors in striking twelve-page supplement. Useful articles on the economics, the position and the potentialities of the mines. Pages 15 to 26. Some special features:

Airplanes and mines 25
Balmer Neilly 24
Stifling taxes 17
Composite picture 42 mines 19
What lead owes science 16
Place of speculation 15
Economics of gold 15
Silver's outlook 15
Gold and gold standard 15
Base metal position 15

Inflation

Prof. J. P. Day, of McGill discusses proposals for inflation and shows why independent inflation by Canada would be dangerous. Page 11.

Port Racket

Canada's harbors have been run as a racket with the taxpayer supplying the spoils. First of a series of articles showing why our national harbor system is due for overhauling. Page 4.

Disarmament

The views of a world authority are obtained by the editor of "The World at Large" column. Page 6.

Back to Gold

Britain plans early return to gold standard at parity of $3.40, it is forecast. This leads The Financial Post to publish a series of timely and sensible articles on the gold standard. The first one appears this week. Page 7.

You Owe $1,850

For every family in Canada the federal debt represents a burden of nearly $2,000. Some rather startling figures for taxpayers to consider. Page 8.

Abitibi's Kings

Who were the central figures in the crash of Abitibi, once regarded as Canada's strongest newsprint company. The Post tells about them. Page 1.

It's Cellophane

Second article in series on repackaging as a sales stimulant tells what it means to have the product "wrapped in Cellophane." Page 3.

Central Bank

Jackson Dodds, joint general manager, Bank of Montreal, outlines his views on a Central Bank for Canada. Page 1. The views of other bankers on page 28.

Retail Trade Over $3,000,000,000 in '30

Independent Merchants Handled Over 68 Per Cent of This Total, Analysis Shows—Two-thirds of Business is Done in Quebec and Ontario

HIGHLIGHTS OF RETAIL TRADE CENSUS

Retail trade in 1930 amounted to $3,041,191,000.
Retail stores had sales of $2,805,075,800.
Service establishments had receipts of $236,115,200.
Per capita retail sales totalled $270.40.
Ontario is leading province with retail sales of $1,112,733,300.
General merchandise is leading group at $714,056,000.
Department and general stores are leading outlet with sales of nearly $400,000,000.
Automobile dealers rank second among leading outlets with sales of $245,830,000.
Independents accounted for 67.4 per cent of retail sales, sectional and national chains for 18.9 per cent and voluntary buying organizations for 4.1 per cent.

Out of every $100 spent in retail and service establishments in 1930, $68.20 was received by independent merchants having only one store and not purchasing supplies through association in a voluntary chain system, according to an analysis of the preliminary report of the Census of Merchandising and Service Establishments on the retail trade of Canada in 1930. The hold which independents still maintain in spite of the inroads made by chain organizations is made still more evident when it is remembered that such organizations as the R. Simpson Co., T. Eaton Co., Hudson's Bay Co., etc., are not listed as independents.

Canada's total retail trade in 1930 amounted to $3,041,191,000, of which $2,805,075,800 represents business done by retail stores and $236,115,200 receipts of service shops such as barbers, theatres, cartage and storage, auto repair shops, etc.

Employees and Wages

Summary figures for Canada, including the Yukon and Northwest Territories, show that there were 121,942 retail stores having 304,454 employees and 41,094 service establishments with 68,301 employees. Salaries and wages paid to retail store employees aggregated $308,631,600 and to employees of service establishments $67,029,300.

Ontario is the leading province in number of retail stores and sales with 42,388 stores and sales of $1,112,733,300 in 1930. Quebec is in second place with 33,078 stores and sales of $667,173,500, followed by British Columbia, Saskatchewan and Manitoba in that order. Sales by provinces are as follows:

Retail Sales by Provinces, 1930

	No. of Stores	Total Sales
Ontario	42,388	$1,112,733,300
Quebec	33,078	667,173,500
British Columbia	9,281	249,523,600
Saskatchewan	10,728	192,902,900
Manitoba	6,646	192,620,100
Alberta	8,420	184,257,000
Nova Scotia	6,183	104,140,900
New Brunswick	4,294	85,006,300
P. Edward Island	794	13,556,700
Yukon & N. W. T.	130	3,161,500
	121,942	$2,805,075,800

General Merchandise Leads

In an analysis by groups, general merchandise leads in total sales with $714,056,000 from 15,342 stores. This total includes department stores and general stores doing more than $100,000 annually, with total business of $399,407,900 from 373 stores, while general stores, with grocery departments, with business of $228,986,800. The food group ranks second in total sales and first in number of stores with sales of $609,411,700 from 41,832 establishments. It should be noted that food sales are just over $700,000,000 when the retail sale of bakeries and dairies reporting to the census of industry are included.

Retail Sales by Groups, 1930

	No. of Stores	Net Sales
Automotive	18,019	$381,720,900
Food	41,832	609,411,700
Gen. merchandise	15,342	714,056,000
Apparel	10,312	209,518,300
Lumber	6,045	165,915,400
Furniture	2,083	58,477,000
Restaurant	6,396	87,106,200
All other	26,913	578,510,300
	121,942	$2,805,075,800

Chief Retail Outlets

Department and general stores are the chief retail outlets in the Dominion, according to value of goods sold, 373 units having net sales of nearly $400,000,000 in 1930. Automotive dealers rank second in individual lines but a combination of grocery stores with meats and grocery stores without meats would show 21,538 stores with total sales of $362,244,600 and place this combination in second place. Liquor stores and taverns take a high place in the list of leading outlets with sales of $131,000,000 in 1930.

Grocery stores without meats lead in number of stores with 18,057 followed by general stores with 12,146. The nearest approach to these figures is by confectionery stores, of which there were 7,226 in 1930. The thirty leading retail outlets listed in ranking of total sales are shown elsewhere on this page.

Per Capita Sales

It should be noted that, in this table, the per capita figures do not purport to represent the per capita consumption of any type of article. Many stores sell more than one "type" of article and have to be classified under the main one, while the large sales by department stores of all kinds of merchandise further makes any such compilation impossible. According to the preliminary report, the Dominion Bureau of Statistics are at present working on statistics taken from the census, which will show the actual sales of all types of merchandise irrespective of the store in which it was sold. the per capita expenditure of $270.40 on all types of merchandise at retail is, however, an interesting figure.

As might be expected, sales per store figures show department and general stores away ahead of the field with sales more than ten times greater than any other type, and

(Continued on page 8)

Whittall Can Covers Years Dividend Needs

From Our Own Correspondent

MONTREAL—Whittall Can Co. has disposed of its interest in Quebec Canners Corp., operating a plant at Ste. Hyacinthe, Que., and the latter is now under administration of Canadian Canners. Whittall Can formerly owned 3,118 shares of 6,100 shares of Quebec Canners stock outstanding. At the end of February 1932 this investment was carried at $76,678 in the Whittall balance sheet.

Whittall Can continues to maintain its operations on a satisfactory basis. During the past fiscal year which ended February 28, earnings are understood to have been sufficient to cover preferred dividends while working capital position has been improved by liquidation of bank loans totalling $265,000 at the end of the previous fiscal period. Earnings in that year were equal to $11.92 a share on the preferred; no dividends have been paid since July 1931.

The company manufactures a wide line of metal containers but favorable results of its own plant operations have been hampered by unsatisfactory conditions surrounding its canning subsidiaries, Associated Quality Canners and Spring Valley Canners in recent years. Some improvement, however, has been witnessed in canning activities in the past year due to agreements reached between leading canners in Quebec and Ontario. Alleviation in price-cutting has tended to reduce losses reported by canners a year or two ago.

CENTRAL BANK COULDN'T HELP OUR FINANCING

Finance Act Gives More Elasticity Than Modern Central Banks

MONEY ELASTIC NOW

Couldn't Control Canadian Price Level Since World Prices Determine Ours

By JACKSON DODDS
Joint General Manager, Bank of Montreal

So much has been said in the press and elsewhere for and against the establishment in Canada of a central bank that there remains nothing new to add. But it might be worth while to review the main features of the discussion.

First it is necessary to arrive at a clear conception of just what a central bank is, and how it functions.

There are two kinds—one, such as the Bank of England, that has gradually evolved its functions and exercises powers which for the most part are not written in statute or charter; and another, such as the Federal Reserve System of the United States, which was legislated into existence in 1914, its operations being fettered by enactments which define, control and restrict almost every phase of its operations.

U. K., U. S. Experience

In the United States and in England, commercial banks when in need of funds can obtain them either directly or indirectly from the central bank, by rediscounting prime commercial paper. Rediscounting is encouraged or discouraged by lowering or raising the rate. The central bank can also make larger or smaller quantities of money available for commercial or other purposes by buying or selling securities in what are commonly called "open market operations."

A central bank usually has a monopoly of or some control over the currency of the country. In addition, it usually does all of the banking for the Government of the country and advises the Government upon financial matters.

A central bank must have capital and deposits. The Bank of England is an independent corporation, none of its shares being held by the British Government. The Governor of the Federal Reserve Bank of Boston has stated that the United States Government does not own one dollar of stock in any Federal Reserve Bank; the shares are owned by member banks. No interest is paid on deposits. In the United States, member banks are obliged to leave with the Reserve Banks 7 per cent to 13 per cent of their demand and 3 per cent of their time

(Continued on page 28)

GOOD DRIVER NOW TO GET 10 P.C. BONUS

Merit Plan Extended by Tariff Insurance Firms in Canada

A ten per cent bonus on their insurance policies to careful automobile drivers in Quebec and the maritime provinces will be paid in future by tariff companies, members of the Canadian Automobile Underwriters' Association, The Financial Post learns.

This means that the modified plan of "merit rating" in respect of automobile insurance policies which was tried out by tariff companies in Ontario as an experiment in November is now being extended to the entire jurisdiction of the C.A.U.A. territory.

Extension Probable

No word is available from the West but it is probable that the plan will also be extended right across the Dominion. Western tariff companies are under the jurisdiction separate tariff associations and although the demand for a no claims bonus has not been so great in that territory it is highly probable that before long this plan will be extended right to all provinces.

The plan as introduced by tariff companies last November is a modification of the merit rating plans in force for some time in Great Britain and first introduced to Canada on a large scale by the Canadian General group over a year ago. It provides that any previously insured motorist who has a clear record as far as claims and accidents are concerned, is eligible for a 10 per cent bonus or discount in respect of automobile insurance premiums on property damage and public liability coverage. It applies to all passenger automobiles not part of fleets.

On the basis of Ontario experience it is claimed that between 85 and 90 per cent of all automobile drivers will be eligible for this discount.

Nova Scotia Steel Bondholders to Meet

From Our Own Correspondent

MONTREAL.—Holders of the 5 per cent. first mortgage bonds of Nova Scotia Steel and Coal Co. will meet on April 6 next for the purpose of taking such action as may be deemed necessary or advisable in view of the existing financial position of the company.

Writing Paper Bonds Was Play to Alex. Smith And George H. Mead

Chicago Investment Banker and Ohio Paper Distributor Sowed Paper Companies Across Central Canada—Later Agreed to Expert Juggling of All Into Abitibi Power

GENEROUSLY TOOK IN WEAK COMPANIES

Redeeming of Bond and Preferred Issues at Premium in 1928 Saved Old Security Holders Sharp Losses—New Bondholders and Buyers of Preferred Provided $70,000,000 to Cover Both Good and Bad Ventures

Alexander Smith of Chicago, and George H. Mead of Dayton, Ohio, deserve in large measure the honor and the glory and the blame of making Abitibi Power & Paper Co. what it was and what it is.

With Alexander Smith, of Peabody, Houghteling & Co. (later Peabody, Smith & Co.) ready to finance with bond and other issues, company after company in Ontario, Quebec and Manitoba, with George H. Mead pledging his great newsprint distributing company to sell the entire output of each new company floated and with the Ontario government especially handing out small pulpwood kingdoms for the new companies to exploit, the public rallied to the call to buy with thousands and with millions.

Profits shown for years by Spanish River Pulp & Paper Mills when newsprint prices were high and the outstanding success made by the original Abitibi company and by other prominent companies gave a most favorable background for financing. The Riordon fiasco when newsprint prices broke twelve years ago was writing on the wall for the industry and the public to heed, but only temporary attention was given to it. Prosperity soon caused papers to bulge with advertising and newsprint demand increased for eight years so much that investment advisers felt they were safe in thinking a doubling of output on this continent in such a short time was only a sign that the demand would keep on growing in like proportion.

Deserve Both Praise and Blame

This idea of perpetual growth of output caused a scramble for timber limits. The idea that Canada had the cheapest available limits close to water power made it easy to finance new enterprises in the Dominion. The idea had much to justify it and the furore about forest conservation and approaching world famine in pulp trees within a generation gave a further impetus. To talk of big limits sounded like saying, "We can make newsprint forever."

At the outset and before the war it needed men of vision and courage to back the industry. That was when both Alexander Smith and George H. Mead got into the Canadian field. They were in the largest market in the world and could see the opportunity better than most Canadians. Also financing was Smith's business and selling newsprints Mead's. They had a chance of a double profit, and during many years investors profited too. With their high positions in the merging companies they must also be responsible to a considerable degree for the agreements, contingent guarantees and commitments which have brought Abitibi Power to bankruptcy. They were apparently made by men with unlimited faith or to put through things which otherwise would have failed.

Newsprint Cow Went Dry

When Alexander Smith first arrived in Chicago he was a Scottish doctor. Getting the opportunity to enter the investment firm of Peabody, Houghteling & Co., he quit medicine to be a doctor of business, specializing eventually in bringing prosperous enterprises into being.

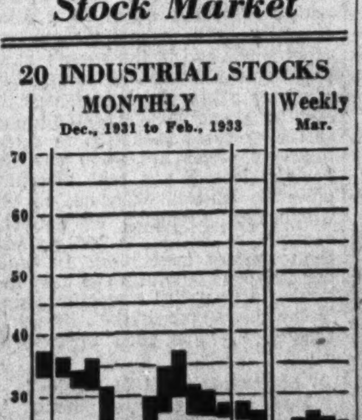
The rise of Abitibi Power & Paper Co. was due in great part to the enterprise, foresight and what R. O. Sweezey, of Montreal, calls the "intestinal fortitude" of this Scottish-American investment banker and to the fact that he was able to link up as financier in the various enterprises now merged in Abitibi Power & Paper Co. with George H. Mead whose company at Dayton, Ohio, was stated on issue after issue of bonds to be "the largest distributors of newsprint paper in the world."

The initial courage of Alexander Smith, and his firm, Peabody, Houghteling & Co. (afterwards Peabody, Smith & Co.) was well rewarded because both in forming companies and organizing enterprises in various parts of Quebec, Ontario and Manitoba his firm was given most lucrative business in selling bonds and junior securities as well as in 1928 when these bonds were all redeemed and the various companies formed swept into one jackpot now known as Abitibi Power & Paper Co.

It was probably a good thing and a profitable thing as well for George H. Mead and his company for a number of years because each new plant increased his ability to serve his customers from a convenient shipping point and so to retain his place as a large distributor of newsprint. That arrangement was interfered with by the decision of the majority of newsprint companies in Canada about 1927 to form one selling company with the object of preventing throat-cutting sales tactics in sell-

(Continued on page 2, col. 4)

Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Mar. 28	25.6	24.2
Week of Mar. 21	26.6	24.8
Month of March, 1932	35.5	31.7
10 Public Utilities		
Week of Mar. 28	43	41
Week of Mar. 21	44	42
Month of March, 1932	56	51
8 Bank Stocks		
Week of Mar. 28	152	150
Week of Mar. 21	154	153
Month of March, 1932	203	203

EXPORT BONUS SHOULD HELP HOG INDUSTRY

But Value of Agriculture Fund to Others Questioned

BRITAIN MAY OBJECT

Chief benefit to Canadian producers from the agricultural stabilization fund announced in the federal budget a week ago is thought to lie in its application to exports of bacon and hams to Great Britain, according to opinions expressed to The Financial Post this week.

"If the bonus applies to commodities sold in the open market in Great Britain I doubt if it would be worth a damn to Canadian producers" was the phrase used by one leading Canadian, vitally interested in the export of agricultural produce to U. K.

Is Direct Bonus

Opinions expressed to The Financial Post indicated there is no doubt that this was a direct subvention on the part of the government to those interested in the production and sale of the 14 products listed as benefiting from the fund. Economists and business men who oppose such government intervention on principle expressed belief however that for some products at least the method chosen by the government was probably the best possible way in which a bonus could be paid to achieve the purpose which Ottawa obviously has in view namely compensating primary producers in Canada who suffer through having to sell their export surplus in a foreign market suffering from depreciated exchange.

Opinion differs sharply as to whether the bonus will actually return directly in whole or part to Canadian producers of products benefit thereby. The money will be paid directly to exporters and the government anticipates it will expend between $6,000,000 and $10,000,000 for this purpose in 1933. How much of this will get back to primary producers by way of higher prices, how much will go into the pocket of the British consumer and how much will go to those who handle the bonus en route to the producer seems a question to which no one is as yet prepared to offer a final and conclusive answer.

Hog Market Sheltered

Reasons hog producers are thought to gain from the fund is because Canada is a preferred seller of bacon and hams in the British market. Thus since last November a 20 per cent quota has barred foreign imports of these commodities into U.K. and caused a direct increase of prices in that market. Canada enjoys preferential treatment within this quota

(Continued on page 2, col. 1)

ROGER BABSON NAME LINKED IN UTILITY CASE

Nova Scotia Power Head Makes Series of Charges

HOLD UP MERGER

Sensational Charges Made Against Babson and Hon. F. B. McCurdy in Halifax

From Our Own Correspondent

MONTREAL. — Roger W. Babson, internationally-known business forecaster and financially interested in the Halifax Power and Pulp Co., and the Hon. F. B. McCurdy, prominent Halifax financier, have been made the subject of attack by J. C. MacKeen, president of Nova Scotia Power and Light Co., which company proposes to absorb the properties of Avon River Power Co. and other subsidiaries.

Several months ago Nova Scotia Power applied to the Provincial Utilities Board for authority to merge with its property that of Avon River Power Co. Objections were made to this move by various parties, principally the City of Halifax which claimed that such a merger might involve a change in the basic rate structure to the detriment of Halifax citizens. Consequent upon these objections the board withheld its approval to the merger.

Starts With Advertisement

No new developments took place until a short time ago when an advertisement appeared in the Halifax papers over the name of the Halifax Power and Pulp Co. to the effect that it had 12,000,000 kw.h. of electrical energy which it was in a position to supply at lower rates favorable to the citizens of Halifax.

In defending its position Nova Scotia Power made a public announcement to the effect that it had been asked to purchase the surplus power from Halifax Power but had refused on the grounds of the cost of constructing transmission lines and that it already had a surplus of energy.

This was followed up by an application to the Nova Scotia Utilities Board to rescind the order dated January 4 last excluding the Halifax Power and Pulp Co. from the jurisdiction of the board. In a sworn affidavit, it was stated that in October last Nova Scotia Power was approached by Roger W. Babson with the suggestion that the company should buy Halifax Power's surplus energy. It was stated that the Halifax company was excluded from the board's jurisdiction inasmuch as it was not engaged in the distribution of energy. The attempt to sell power proved otherwise and the board rescinded its order bringing the Halifax Power Company back under its jurisdiction.

Move Is Opposed

The next step in the Halifax utility situation was a proposal to amend the Public Utilities Act in such a way as to safeguard the interests of the public and to permit the proposed consolidation of the subsidiary companies now controlled by Nova Scotia Power.

MacKeen Opens Attack

This move was strongly opposed by the Halifax Chronicle and as a result of this opposition J. C. MacKeen, president of Nova Scotia

(Continued on page 2, col. 6)

Investor's Index

INDUSTRIALS, UTILITIES, ETC.

Abitibi 1
Assoc. Brew. 5
B. A. Oil 9
Beauharnois 5
Brazilian 9
Brit. America 10
Can. Int. Inv. 5
Can. Gen. Elec. 5
Can. Goodrich 8
Can. W. N. Gas 9
Can. S.S. L. 4
C. N. R. 4
C. P. R. 4, 24
Cons. Smelters 9
Dominion Tar 9
Globe & Rutgers 10
Gypsum, Lime 8
Imperial Oil 9
Int. Utilities 28
Int. Pwr., Nfld. 8
Keefer Realty 5
Laprairie Co. 10
Matthews S.S. 8
Metropol. Life 10
Montreal Power 9
Nat. Union 10
N. S. Power 1
Royal Bank 11
Silverwood's 5, 9
Sherbrooke Tr. 9
Steel of Can. 3
Sun Life 10
Supersilk 5
Western Ass. 10
Whittall Can 1

MINING—SPECIAL SECTION
Pages 15 to 26

Aldermac 26
Arntfield 16
Ashley 23
Buff. Ankerite 20
Britannia 20
Bar.-Hollinger 21
Bralorne 21
Beatty 23
Cent. Patricia 22
Can. Airways 25
Cons. Smelters 24
Cent. Manitoba 24
Cariboo 22
Coniaurum 26
Dome 21
Eldorado 23
Falconbridge 26
Galatea 20
Granby 25
Granada 22
God's Lake 23
Huronian 16
Hollinger 21
Hayden 21
Howey 21
Hudson Bay 22
Int. Nickel 24, 26
Island Lake 22
Kirkland Lake 18
Kenty 17, 23
Lake Shore 23
Lakeland 23
McIntyre 25
Macassa 22
Mining Corp. 20
Moss Gold 16
McWatters 23
Nipissing 22
Nordon 24
Noranda 21
Premier Gold 16
Pioneer 20
Parkhill 20
Prosp. Airways 26
Reno 20
Siscoe 20
Sylvanite 21
San Antonio 23
Swayze-Huycke 23
Tread.-Yukon 21
Teck-Hughes 24
Ventures 22
Wright-Hargr. 20
Vipond 25
Wiltsey-Cough. 23

PRICE QUOTATIONS

Bonds 27
Grain 13
Mines 26
Stocks 27

REULAR DEPARTMENTS

Answers to Enquiries 9
Business 7
Banking 11
Editorial 6
Grain and Milling 13
Insurance 10
Utilities and Transportation 4

HOW ABOUT YOUR LUGGAGE ?

Is it modern . . . . up-to-date . . . . does it save you time and trouble? Now is the time to look your luggage over and decide what you will need for summer. Our Luggage Dept. prides itself on the variety of its merchandise. For a week-end vacation or for a round the world cruise — there are bags and trunks here for every purpose. Remember, Eaton Guaranteed Prices protects the purchaser. When you buy your luggage at Eaton's you are always sure of obtaining complete satisfaction.

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The Nation's Business

(Continued from Page One)

total of these wastes amounts to many millions of dollars yearly. A few of the types of over-expenditures that have been specifically dealt with are: the farm lending scheme, the radio commission, overlapping of departments, ineffective administration of the civil service, guarantees of wheat, harbor, railway and other loans, operation of practically useless canals, maintenance of unprofitable shipping routes, extravagant development of harbors, payment of subsidies to special interests, financing of operations that should be provincial or municipal in scope, duplication of the agricultural activities of the provinces, etc.

The list could be almost indefinitely extended.

* * *

THE FINANCIAL POST has no intention of setting down an exact list of instructions for the government in the cutting of its expenses with a detailed itemization of the savings that could be effected. It would be the height of foolishness to attempt to do anything of the kind. It is not in such general fashion that business solves its problems when rigorous expense cutting is necessary. Rather we have attempted to point general directions.

It would be very simple for the government to get independent advice on this all important matter of expense cutting. The Financial Post has suggested and repeats that a committee of independent business men, accountants, and economists—preferably a small committee advised by the deputy ministers at Ottawa—should be called in to make a complete analysis of Dominion Government expenditures on all accounts and to make recommendations designed to effect the balancing of the budget. Such a committee was the May Committee on Economy whose recommendations preceded the drastic revision of Britain's spending policy. In modified form Ontario has had at work a somewhat similar committee with only one outside representative, a member of a leading accounting firm accustomed to dealing with the affairs of companies heading to bankruptcy through excess expenditures.

$100,000,000 Sunk in Rail Deficit

THE Canadian National Railways cost the people of Canada more in 1932 than in any previous year in the history of government railway operation in this country. This was despite the fact that the railway has cut the number of employees from 111,000 in 1929 to 77,000 in 1932; has eliminated many unprofitable train services; and has begun to economize on a large scale.

There are many figures put out from time to time as the C. N. R. deficit. Only one figure is really significant and it is seldom used. It is the "system net loss" shown in the profit and loss statement for this figure includes interest to the government, loss on Maritime lines, losses on retired equipment, etc.

"System net loss" in 1932 was for the first time over $100,000,000. To be exact it was $101,335,074.

This table shows how the figure has grown:

Net System Loss	
1919	$ 55,300,000
1920	80,500,000
1921	69,900,000
1922	57,900,000
1923	54,600,000
1924	54,500,000
1925	41,600,000
1926	28,600,000
1927	39,200,000
1928	33,400,000
1929	46,200,000
1930	73,800,000
1931	99,300,000
1932	101,300,000
Total to date	$836,100,000

How much is $101,000,000? It is $7,000,000 more than the British war debt payment to the United States, made last December, that rocked the financial world.

It is $2,000,000 more than the interest on the entire government debt, exclusive of railway debt.

The Canadian National Railways cost us more in 1932 than the capital charges upon our war debt, our public works and canals debt, and all other debt—still outstanding—that the Dominion has contracted since Canada was first settled.

Already in 1933 revenues of the C. N. R. are declining further. The 1933 cost will be much higher unless traffic picks up.

We are adopting the advice of an able commission and are setting up a system of coercive cooperation to meet the problem.

If the new plan does not cut many, many millions yearly off this $100,000,000 annual drain we will be faced in 1934 with the problem of finding a better solution.

Thinks Export Bonus Temporarily Justified

Agricultural Expert Comments on New Federal Stabilization Fund

By J. E. LATTIMER
MacDonald College, McGill University, P.Q.

As a necessary temporary expedient the plan to stabilize exchange on some export products (absorbing the difference between the fluctuations of the dollar and pound and $4.60) would appear to be justifiable.

This means that for those articles to which this stabilization plan is to apply the parity of exchange between the two countries is fixed at 4.60/4.86 of par or at a discount of roughly 5.4 per cent. Exchange is currently quoted at from $4.10 to $4.13. This is a difference of 15 per cent roughly. Two thirds of the present difference is thus absorbed by the public. This stabilization plan will encourage exports to Britain and also the countries included in the "sterling group."

This encouragement or "bonus" includes those farm products the export of which has been neglected somewhat in the recent past, and does not include grains. The appears to be a move in the right direction in that it is designed to encourage trade in those products which provide at the moment the least burdensome surpluses over market requirements.

Principle Bad

Bonusing agriculture may be opposed on principle. As an expedient it seems to be at the moment necessary. Necessary on account of the fact that practically all nations with which Canada trades, with the possible exception of Belgium, are directly or indirectly doing this very thing. And doing it deliberately even though it may result in making food somewhat more expensive.

As Burke suggested, it is a trifle difficult to indict a nation. It is probably still more nearly impossible, and at any rate futile, to indict the world. International trade and the policy of any country in regard to this depends largely on the action of other countries.

Might Lower Prices

At present, competition is pretty keen between nations in bonusing agriculture. Because of this competition it may be dangerous to go too far in this direction as this might have the effect of spurring other countries to make further efforts in this line with the result of lowering the prices of food products to the consumer.

Prices of food products are already so far out of line with the prices of other things that business is not brisk, so low that it is conceded that providing these products is generally unprofitable and so low that most countries are frantically trying tariff restrictions, import quotas, export bonuses and even allotment plans all in an endeavor to raise prices of farm products.

May Avoid Competition

Establishing parity with the pound sterling has been the policy advocated in certain quarters since Britain abandoned the gold standard. The plan of absorbing only part of the difference between the dollar and the pound is probably designed to avoid prompting competition in depreciating currencies.

As evidence of an endeavor to encourage production of those farm products in demand in the market rather than those of which the surplus is bothersome this plan marks a step in advance of some of those recently taken.

EXPORT BONUS SHOULD HELP HOG INDUSTRY

(Continued from page 1)

and accordingly Canadian prices have risen.

This is doubly important because although Canada only exports a tenth of her weekly hog gradings, the price for the entire output is governed by prices received in the British market. It is argued that if Canada still had to sell her hogs in a free British market the agricultural fund would be of little value because pressure of world supplies on the British market would force Canadian exporters to use the bonus to undercut foreign competitors and thus the saving would accrue not to the Canadian producers but in large measure to the British consumer.

U. K. Attitude Uncertain

From Our Own Correspondent

OTTAWA.—Underneath the strongly optimistic statements that are emanating from governmental sources as well as from representatives of the industries affected, regarding the probable results of the proposed agricultural stabilization fund there is apparently real doubt as to the manner in which the British government will receive it.

The proposed machinery for administering the fund is very simple. Exporters of the 14 products covered by the fund will accept payment in British funds. They will take these cheques or other currency documents to any chartered banks where they will be cashed on the basis of $4.60 to the pound. The banks will recover the going value of British money in the ordinary way, and will collect the balance from the government. If the British pound, for example, is being quoted at $4.10, the banks will collect this sum from the British purchaser and the 50 cents from Ottawa.

Government's View

The Federal Government does not regard it as essential that the actual bonus get back, as much, to the producer. The government believes that the increase in the cash return for sales of these 14 products to Britain will quickly result in a general advance in domestic prices, so that every producer—whether or not he produces the actual goods that are exported—will benefit.

There is, however, one weakness in the proposed scheme which may militate against its success. This weakness is being dicussed among officials and members of parliament here and may be illustrated under two headings.

Weakness Seen

If the bonus brings higher prices in the domestic market, production of the 14 commodities will rapidly increase and the export surplus will become greater. The excess of production over domestic needs will mean greater exports which probably will involve a weakening of prices on the British market. As the bonus plan stimulates exports to Britain, despite a weakening of the British market, it is contended it will become a bonus not to Canadian producers but to British consumers.

On the contrary if there is a rush for the British market, this market may suffer price reductions sufficient entirely to absorb the bonus—and yet be an attractive market to Canadian exporters. This, too, would mean a bonus to British consumers.

Still further, the British government has become highly protectionist with respect to imports of agricultural products. Only recently, and despite the butter preference granted to the Dominions in Ottawa treaties, the British government has insisted upon New Zealand and Australia reducing their exports this year by ten per cent, in comparison with the exports of 1932. It remains to be seen how far the British Government will permit British prices of agricultural products to be driven down, before invoking the state dumping clause of the Empire treaties.

GOV'T LOSSES ON SUGAR TAX ARE $5,000,000

(Continued from page 1)

Rhodes budget. While other manufacturers, to whom refined sugar is a basic material, are bombarding Ottawa with protests, refiners maintain an outward calm stating that their only responsibility is to collect the 2 cent impost on every pound shipped from the refineries.

That the tax may have an adverse effect on sugar sales is admitted. Though sugar is a vital necessity both in many manufactured goods and in the household as well, it is felt that no commodity can bear a tax which increases its cost by about 45 per cent without suffering some reduction in sales. Refinery prices are $4.40 per 100 pounds, less 5 per cent discount, plus the $2 tax, or a net to the wholesaler, exclusive of delivery charges, of $6.18 per 100 pounds. Sugar prices have risen 10 cents per 100 pounds within the past two weeks in line with a strengthening in the raw sugar market. Prices in the U. S. have been boosted 30 cents.

Shipments Well Maintained

Last year sugar shipments in Canada were 936,716,514 pounds, a decrease of less than 1 per cent from the figure for the previous year. In 1931 earnings of refining companies in which there is an investment interest were satisfactory maintaining a situation which has prevailed since dumping duties effectively stopped imports of refined sugar from Cuba in 1930.

From that time on there was an improvement in earnings of Atlantic Sugar Refineries and Acadia Sugar Refining Co. Dividends, unpaid for over a decade, were resumed on preferred stocks and the refining industry began to enjoy its first spell of prosperity since it faced collapse in 1920.

May Raise $20,000,000

With the new impost the industry has been picked as the medium for raising taxation of some $20,000,000 in new taxation. Those close to the situation are not too pleased with the outlook since the sharp increase in refined sugar prices is considered likely to cut into sales. It is conceded, however, that it is yet too early to make any definite predictions.

Neither Atlantic Sugar nor Acadia Sugar has made public its financial statement for the year. In view of the fact that shipments in 1932 were maintained at practically the same level as the previous year it is thought that profits will compare favorably with those of 1931. In that year Atlantic Sugar reported net earnings of $1,089,615 sufficient to cover all fixed charges by a good margin. Acadia Sugar earnings were $634,394 in 1931, equal to 26 cents a share on the common after all charges.

Manufacturers are Roused

Manufacturers of commodities in which sugar comprises a vital component are thoroughly roused over the new sugar tax. The chocolate industry waited on the Government on March 28 and the soft drink representatives voiced their protest against the tax on March 29. Imposition of the tax, the latter say, will make for substantial hardship in their business.

WRITING PAPER BONDS PLAY TO ALEX SMITH AND GORDON H. MEAD

(Continued from page 1)

ing newsprint. In 1928 he had responsibility for the future of Spanish River Pulp and Paper Mills taken off his shoulders in the great coup by which the Smith-Mead companies were thrown into one. Spanish River Pulp had still, in 1928, an excellent record over years to show and the general public was not to wake up for several years to the fact that the newsprint cow was due to go dry.

Started With Backus

When Frank Anson and Shirley Ogilvie, both now dead, proposed the development of a pulp industry in 1912 in the district tributary to Iroquois Falls, they tried to interest Canadians. Canadian investment bankers did employ R. O. Sweezey and other engineers to investigate the soundness of the enterprise and it was suggested that a ground wood pulp mill so remote from markets would be perilous. The project was expanded to include a paper mill and Canadians were afraid to tackle the large amount needed for such an untried venture. But Alexander Smith saw the possibilities: he had already arranged financing with his firm to aid E. W. Backus in his large power and paper enterprises in the neighborhood of Kenora. He was convinced "there was gold in them thar" trees and his faith was amply vindicated in the next sixteen years. The clients of his company were infected by his faith and made possible more development of newsprint properties and purchases than are now needed.

Peabody, Houghteling & Co. helped not only Abitibi but assisted in the flotation of securities of Spanish River Pulp & Paper Mills, Manitoba Paper Mills, Ste. Anne Paper Mills and Murray Bay Paper Mills. Long before these last three flotations were made it no longer needed courage to float and finance such enterprises. The public had become convinced that the industry was sound and that investment in companies sponsored by well-known men could be made without hesitation. Client study of each new issue therefore became more desultory as they came to depend more on the reputation for success of their investment bankers.

Saw Financial Aspect First

It is not unfair to say that the chief and first business of Alexander Smith was the financial business and of G. H. Mead, the marketing of newsprint. Great as were the services of Mr. Smith in securing the financing of the existence and expansion of these various companies he could certainly not be oblivious to the remunerative work these exercises in constructing great industries, in what ten or twelve years ago was wilderness, gave to Peabody, Houghteling & Co..

Being a very intelligent man it is likely that Smith could see toward the end of 1927 at any rate that manufacture of newsprint was being greatly overdone and that a scramble for business between high cost and low cost mills might squeeze the orange dry, in other words, remove profits from the industry. The same idea occurred to other expanders and there began then the spectacular merging of large companies into still larger groups in the hope of cutting out undue competition and holding prices higher. Some belated entrants to the scramble for cheap timber limits still continued to put up plants and to increase the agencies for production even after demand from newspapers for newsprint was on the decline and so made success of merging firms in maintaining prices more difficult.

Made Spectacular Flotation

As a financial coup the redeeming of all the bond issues of these Smith-Mead companies and their merging in one group under Abitibi Power & Paper Co. was a very "nifty" piece of work. It involved using the principal investment banking houses of Canada and getting important help in the United States as well but it was done in workmanlike manner. In quick succession Fort William Power Co., Ste. Anne Paper Co., Spanish River Pulp & Paper Mills, Manitoba Paper Co. and Murray Bay Paper Co. were taken in and generally by an exchange of junior securities without any expenditure of cash. But the sale of $50,000,000 of 5 per cent Abitibi Power bonds and $35,000,000 of 6 per cent preferred stock gave money which enabled all the prior mortgage bond issues and preferred stocks of these companies to be redeemed as well. In the redeeming there was a large profit to the holders, and at least several unfortunate bankruptcies were avoided for the time.

Murray Bay Buy Was Flop

For instance, $2,000,000 Murray Bay Paper Co. 6½ per cent first mortgage bonds were sold on the basis of an estimate of net earnings of $565,000 being available for interest and depreciation, the newsprint in this case for a change "to be sold through Canadian Newsprint Co., the largest distributor of newsprint in the world." This sale was made at par late in 1927 and on October 1, 1928, the bonds were redeemed at 105, showing a gain of 11½ per cent for the fortunate holder if the 6½ per cent interest for one year is included.

By taking this company in, Abitibi got a paper mill which has never been operated, which is equipped in part with second hand machines brought in from the United States, and which has a groundwood pulp mill and certain timber limits. Instead of being an asset under present conditions it costs Abitibi to carry it upward of $323,000 per annum. As the advisability of getting rid of this property is under consideration now, it is fair to suppose that this company would be in bankruptcy by now if its securities had not been taken under the hospitable roof of Abitibi Power & Paper Co. Not counting the capital stock, investments of Abitibi Power & Paper in this company are shown at $5,533,916, and now there is little to show for it. George H. Mead was chairman of the board of Murray Bay Paper Co. when the bonds were sold. He is now chairman of the board of Abitibi Power & Paper Co.

Assets That Are Liabilities

Then there was Spanish River Pulp & Paper Mills earning well up to 1927 and with its stock doing well on the market. Insiders may have known then what the report of the receiver now reveals that of the three mills of Spanish River, Sturgeon Falls mill with 46,000 tons per annum capacity and Espanola mill with 100,000 tons per annum capacity were higher cost mills and that only Sault Ste. Marie mill with 78,000 tons per annum rated capacity can be considered really efficient though it does not rank with two lower cost mills like Iroquois Falls and Pine Falls mills. Even that mill owes much of its present efficiency to $500,000 spent under the present management to bring it strictly up to date.

In any case this purchase brought assets into the Abitibi company which include $10,269,569 book value assets for Espanola mill or $7,000,000 after reserves, and $6,418,397 for the Sturgeon Falls plant or $4,278,931 after depreciation. Those assets Abitibi Power would be better without because they are a heavy charge now and at or under present prices cannot be operated except at a loss. As late as July 1, 1930, Abitibi Power & Paper Co. entered into a contract with Hydro-Electric Power Commission of Ontario to purchase 10,000 horsepower for 20 years from the commission at $27 per horsepower for use at Espanola. This is an expensive contract for a mill which can operate only when prices are high, as compared with present levels. Question of disposal of these two mills is also much to the fore with the receiver.

Spanish River Beginnings

The association of Alexander Smith and Geo. H. Mead in Spanish River Pulp & Paper Mills was of long standing. The Latchford-Riddell report in 1922 on Ontario Government timber deals quoted correspondence in 1919 when Smith as president of Peabody, Houghteling & Co. and Mead as president of Spanish River were both trying to get assurance from the Ontario Government that sufficient limits would be made available for the Espanola mill. Smith was ready to ask for $3,500,000 from the public if the Government gave the claims. The Minister did write that he was willing but there was a hitch somewhere and years before the limits were available the financial statement of the company showed the limits available. It might have been as well if no extensive limits had been made available for that mill as the large piles there now are rapidly deteriorating and must be transported to Sault Ste. Marie if they are to be used.

Playing a Losing Game

In a letter to the press in July, 1932, R. O. Sweezey urged the senior security holders of Abitibi Power & Paper Co. to get behind Alexander Smith, saying that if they did so they "may look forward to a prosperous 'comeback.'"

"The Iroquois Falls plant alone," said Mr. Sweezey, "operating to capacity, which it will undoubtedly do when wood inventories at other plants are used up, can fully earn the bond interest requirements at today's price of paper. Mr. Smith knows this, and had he not been hampered during the past few years by having to 'play the game' with other Canadian paper companies, while another group were 'stealing' the business, his plants would probably be operating to 60 per cent of capacity instead of 30 per cent of capacity."

The expense of "playing the game," as Mr. Sweezey calls it, is being made abundantly manifest: the bondholders have never been given the inside story of what this "playing the game" entailed although they and the preferred shareholders whose money made success possible are now "carrying the bag." The merger was evidently a good thing for security holders of all companies taken over if they did not buy Abitibi Power bonds on their own bonds being redeemed.

Pays For Being "Brotherly"

But for the new Abitibi Power bondholders and preferred stock holders it is now evident that their money was mis-spent in taking over any company with plants that would not be good competitors with the best whatever the price of newsprint. Limits doubtless had an inordinate value in the minds of newsprint men five or six years ago not alone to assure long life to plants but also in order to prevent new mills being built to exploit limits uncovered by lease. After giving full value to any aim there was to eliminate competition by merger, these still remain bad bargains that would not have been entered into if purely industrial considerations had governed.

The various commitments taken over in connection with each of these two companies have turned out to be bad bargains, though in some cases they could not have been avoided. If only the Pine Falls mill had been taken over in 1928, Abitibi would have been operating to much better advantage today. So would some other formerly solvent companies if they had held aloof from mergers. High cost mills would have taken their respective companies into bankruptcy but the "big boys" who tried to be brotherly and save the unsavable would be now in better shape. The effect on Abitibi of taking over high cost mills may be seen in the fact that in 1929 Abitibi's sales of 528,181 tons of newsprint represented 19.4 per cent of all Canadian production while its share of all Canadian production in 1932 was only 207,127 tons. or 10.9 per cent of the whole. The decline in percentage is more significant than the fall in volume.

Strong With Queen's Park

Abitibi took over Kaministiquia Power Co. which formerly had Sir Herbert Holt, J. S. Norris and C. R. Hosmer, prominent Montreal capitalists on the directorate. That company had created the Fort William Paper Co. and its mill in order to have an outlet for power formerly sold to Port Arthur. Hydro-Electric Power Commission of Ontario had taken the Port Arthur market from it. Sir Herbert Holt withdrew from his interests in this company, the story at the time being that he was concentrating his power interests in the province of Quebec and that he left this company with people who were on more friendly terms than he with members of the Ontario Government. A Montreal newspaper at the time said, "It is felt that, if the company were to get into the hands of new interests more intimately in touch with Government circles in Toronto, the company would have less difficulty in getting much needed concessions in new power sites, water control, etc."

Mr. Mead was a director in 1928. The mill of 52,000 tons capacity is now closed down.

Manitoba Paper Co. issued $4,000,000 6½ per cent first mortgage bonds due in 1946 in 1926 and these were sold by the Peabody group. Geo. H. Mead was a director and his company was to market the entire production. The bonds were called at 105 in December, 1927. Later $4,800,000 of 8 per cent preferred stock was also redeemed. That company whose mill is now closed, was estimated by Geo. F. Hardy as likely to earn $1,300,000 yearly. This New York engineer was employed by the Smith-Mead combination for Ontario Power Service Corp. as consulting engineer and his name and estimates appear in various prospectuses for his work in designing pulp and paper mills and making computations as to earnings.

Some Lucky Redemptions

Half of the $5,000,000 Ste. Anne Paper Co. $5,000,000 6½ per cent first mortgage bonds were sold by the Peabody group before the mergers and on September 1, 1928, were redeemed at 104½. This company was supposed to earn bond interest 4.25 times. In 1928 there were also redeemed $2,000,000 6½ per cent mortgage debentures at 104 and $2,700,000 in preference shares. The company's mill of 78,000 tons annual capacity is rated as efficient by the receiver, but it is closed down under present conditions.

ROGER BABSON NAME LINKED IN UTILITY CASE

(Continued from page 1)

Power, made public a statement which includes sensational charges against Roger W. Babson and Hon. F. B. McCurdy.

Makes Five Charges

The charges made by Mr. MacKeen can be boiled down to five separate allegations. First that the refusal of Nova Scotia Power to enter into an alleged power deal with Halifax Power and Pulp Co. was the explanation of the attacks being launched against the company through the Halifax Chronicle.

Secondly, that the alleged deal was proposed by Roger W. Babson on behalf of Halifax Power and that Mr. Babson offered, through his influence, to secure legislation favorable to the merger in return for the purchase of by Nova Scotia Power of surplus energy from Halifax Power and Pulp Co.;

Thirdly, that Nova Scotia Power was warned it had little prospect of securing its objective unless it worked with the Babson interests;

Fourthly, that a spokesman for the Babson interests had argued that it made little difference as to whether or not the deal was a good one for Nova Scotia Power as in the "long run the cost would be passed on to the ultimate consumer."

And lastly, it was suggested that Nova Scotia Power should purchase Halifax Power and Pulp and add it to the base rate in Halifax, thus enabling the company to maintain "its rates at a higher schedule than would otherwise be the case."

Basis of Allegations

In support of these allegations Mr. MacKeen referred to Mr. Babson having been introduced to Nova Scotia Power through Hon. F. B. McCurdy, owner of the Halifax Chronicle, which he claimed had been leading the attack against the proposed merger. Mr. MacKeen says that Mr. Babson referred to Mr. McCurdy as his business representative and links up the attack by the Halifax Chronicle with the fact that his company refused to have any dealings with Halifax Power and Pulp Co.

McCurdy Denies Interest

Hon. F. B. McCurdy has refuted the allegations made Mr. MacKeen stating that he has not and never had any interest direct or indirect with the Halifax Power and Pulp Co. He says that as a subscriber to the Babson service, Mr. Babson approached him last fall with a view to finding a market for some 12,000,000 kw.h. of surplus energy. Mr. Babson said he wished to meet Mr. Killam, who is largely interested in Nova Scotia Power, but Mr. McCurdy advised him to see Mr. MacKeen and Mr. J. McG. Stewart. To this end he made arrangements for a meeting.

Babson Has Say

Dwight G. M. Hollister, executive vice-president of the A. P. W. Paper Company, enters the picture by stating that he was authorized by Mr. Babson to deny Mr. MacKeen's statement that he (Babson) or any one on his behalf stated that his influence was such that he would undertake to get the merger legislation passed.

It is expected that further developments will take place during the current week and which will have an important bearing upon the success of Nova Scotia Power's proposal to merge its subsidiary properties.

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Footnotes to Ottawa

An occasional department of comment on the background of governmental activities in the nation's capital

By Our Ottawa Correspondent.

Changed Attitude On Rail Problem

OTTAWA—In the past fortnight a complete change has taken place in the attitude of the major parties toward the railway legislation. Far from being non-controversial the Duff bill has become the outstanding issue of the session.

The cause of this change in the atmosphere on Parliament Hill is to be found in the revised draft of the bill and in this curious fact—that many members of Parliament who are believers in amalgamation as the only solution of the rail problem are actively supporting it. Looking back on the history of the bill it is equally remarkable that from the moment the final draft appeared, the opposition to it seemed to die away. The opposition, it will be recalled, comprised largely those members of the Senate who were on record as in favor of rail unification.

Likewise, the opposition to the bill today springs from the very quarter whence, originally, it was believed the measure must draw support or die. Opponents are public ownership men who see in it a menace to the future integrity of the National system. This, of course, is not to say that all the public ownership men are against the bill. Far from it. Many such in the ranks of the government party who are supporting the bill, would not do so unless they believed the measure guarded completely against amalgamation. But it is true that those who are opposing the measure are believers in public ownership and that practically all who believe in amalgamation, and say so, are vigorously supporting the bill.

* * *

WITNESS Sam Jacobs, Liberal member:—"Why not say at once that this is amalgamation? It cannot be anything else. I am for the principle of the bill because I say it means amalgamation, if not today then tomorrow or the day after. It is inevitable; it cannot be otherwise."

Comparing the new draft of the bill with the old, it is difficult to find any explanation of this sudden shifting of political forces. The new bill, it is true, is much more clearly phrased than the old. The powers conferred upon the Board of Trustees, the limitations placed upon the Arbitral Board are stated more succinctly. And the new bill does place the National railways almost beyond the power of governments or politicians to interfere.

Even the twin declarations of the Prime Minister that a section will be incorporated in the bill forbidding amalgamation, and that it would be necessary for the people to approve such a policy at a general election—even these declarations have not removed the suspicion of many members of the Liberal party who, in the term used by Mackenzie King, see in the measure a, "sinister" intent to injure the publicly-owned system.

* * *

THE record of the past fortnight, therefore, discloses a rapidly vanishing opposition from amalgamationists and an equally rapid emergence of antagonism from the public ownership camp. Undoubtedly the determining factor in the situation, apart from the bill itself, was the result of the vote on the second reading. Had a substantial number of Liberal members voted and supported the bill, the opposition would scarcely have been able to continue the fight. Nor would it have been possible for Mackenzie King to whip the controversy into a national issue. At one time it seemed likely that the party would split, but the vote last week brought practical unanimity. Those who voted for the bill will either oppose it on third reading, or are frank in their advocacy of amalgamation and believe the bill will produce this result.

With a solid following, the Liberal opposition will make most vigorous efforts to amend the sections of the bill which are deemed to be most dangerous. These are the sections defining the powers of the trustees and of the Arbitral Board. And it is not impossible that the government may agree to changes in one or all.

* * *

THESE sections of the bill are as follows:

The general powers of the trustee board are contained in subsection 6 of section 9, which reads:—"No order, regulation, by-law, act, decision or proceeding of the trustees shall require the approval of His Majesty" (meaning the government) "or that of any shareholder of any company to which this section applies." The section applies to all the properties of the National Railways.

Subsection 2 of section 16 defines the powers of the trustees in these words: — "Without restricting the generality of the foregoing, any such measures, plans or arrangements may include and be effected by means of—

(a) new companies controlled by stock ownership, equitably apportioned between the companies (meaning the railway companies);

(b) leases, entrusting agreements, or licenses, or agreements for the pooling and division of earnings, arising from the joint operation of any or parts of freight or passenger traffic, or express, telegraph, or other operating activities or services;

(c) joint trackage, running rights, joint ownership, or joint operating agreements, depending upon the nature of the property or services included in any co-operation plan, and;

(d) joint or individual highway services, or highway and railway services combined, in any form."

* * *

THE trustees are removable only for cause and by means of a joint resolution of both houses of parliament. It is argued by the opponents of the bill, therefore, that the trustees might turn over the National Railways, or the important parts of it, to the Canadian Pacific Railway without consulting either the government or parliament.

On the other side, the government argues that the more the trustees are made inaccessible to governments and politicians the better for the National property. The real objective being sought is to give to the National system a form of management resembling private ownership as closely as possible.

PLANS PREPARED BY RADIO BOARD TO LIMIT "ADS"

Promulgation of Regulations May Come This Week

CENSORS AT FIRST

Will Relax Limit on Indirect Advertising—United States Chains Ready to Co-operate

From Our Own Correspondent

OTTAWA—Believing that Parliament, in enacting the Radio Broadcasting Act, clearly intended to limit advertising to five per cent of broadcasted programmes, the National Radio Commission is now formulating regulations which will make this restriction binding upon every station in Canada.

These regulations already are far advanced and may be promulgated before the close of this week.

The basis for the commission's decision is in section eight of the Radio Broadcasting Act which contains these words:

Wording of Act

"The commission shall determine the proportion of advertising that is to be authorized, which shall not unless by permission of the commission, exceed five per cent of any programme period, and may prescribe the character of such advertising."

A strict reading of the law strongly indicates that the commission is not bound to impose the five per cent restriction. The section clearly indicates that the commission has power to authorize any amount of advertising. But Hector Charlesworth and his colleagues have determined to treat the law as mandatory, exercising their discretion only with respect to setting up two classes of advertising.

While, at first glance, the proposed policy may seem cumbersome and difficult to administer, the commission hopes that it will rapidly become familiar to the broadcasting industry and that with the passing of time, the various stations will automatically adapt themselves to it.

Drawing the Line

Briefly, the commission will divide radio advertising into two classes. There will be direct and indirect advertising. There may be some difficulty in drawing the line between the two, but in a broad way all "blurbs" or straight forward boosting of the products which are being advertised will constitute direct advertising. The indirect category will cover the "sponsoring" of programmes.

Thus if a manufacturer hires a broadcasting station or network for the purpose of affording some entertainment through a programme but, also, of directly praising his products—he will be restricted to five per cent advertising and 95 per cent programme.

But the five per cent regulation will be somewhat relaxed on the other kinds of advertising. If a manufacturer puts a programme on the air and seeks only to have the announcer say:—"This programme is sponsored by so and so," then he will not be held strictly to the five per cent rule. He will be allowed to advertise his sponsorship frequently even though he uses more than five per cent of his total time in so doing.

Entails Censorship

Obviously, this policy will entail —at least in the beginning—a thorough censorship of all programmes prior to their being broadcast. The commission is prepared to exercise this censorship and will insist upon all programmes being submitted to Ottawa. It is hoped, however, that as the advertisers and the proprietors of stations become acquainted with the policy, this censorship will become formal and of little significance.

With regard to programmes imported from the United States, it is not disputed by the commission that the new regulation may occasion temporary hardship. Many programmes coming in now may not qualify. If so, the sponsors of them will either have to cut down the direct advertising or do without Canadian coverage. The commission has no intention of yielding on this point, but it is well known here that the heads of the N.B.C., in New York are very much in sympathy with the new Canadian policy and will endeavor to follow the lead of the Canadian commission in this regard.

PORT OF HALIFAX REPORTS ACTIVITY

From Our Own Correspondent

MONTREAL.—Increased activity is reported by the Port of Halifax for February last. During the month 359 vessels entered and cleared the port compared to 352 and 335 in February, 1932 and 1931. The net registered tonnage is reported at 1,001,434, as against 832,212 tons for February, 1932, and 789,883 tons for February, 1931.

For the first two months of the current year 791 vessels have entered and cleared at the port. This compares with 829 for the same period of 1932 and 789 for the first two months of 1931.

The total cargo tonnage handled inward and outward during February, 1933, is reported at 157,271 tons as compared with 130,282 for February, 1932, and 130,852 for February. 1931.

H.C.'s Piers Active

Cargo tonnage handled over privately-owned piers in the harbor shows a decrease of 46,567 tons or 61.4 per cent for the first two months of this year as compared with the same period a year ago. This decrease is largely compensated by an increase in the cargo tonnage handled over the Commissioners' piers; the increase being 19,829 tons or 11.3 per cent.

Visible Wrapping Is Sales Stimulant

Loblaw's Gave Lead to World in Wrapping Meats in Cellophane — Transparent Bags Help Grocery Sales

Re-Packaging as a Sales Stimulant 2.

Visible wrapping boosts sales.

The use of transparent cellulose for this purpose is one of the striking features of recent package improvement. Sales of cellophane have been increasing rapidly in recent years, largely because its effectiveness in improving sales has been proved in practice. In fact, the great variety of its uses has led to the development of the cellophane joke, which bids fair to replace the late lamented Ford joke. Don't be surprised when you see baskets of fruit covered with cellophane this year. It is coming, The Financial Post is informed, and the cost to the packer is said to be less than the red netting which has been used heretofore.

A Canadian firm, Loblaw Groceterias Co., was the originator of the use of cellophane for wrapping meats. This has spread throughout the world. The Loblaw experiment was made originally with bacon. It was a profitable sales success. Du Pont, makers of cellophane in the United States, bought quantities of the Loblaw visible-wrapped bacon for demonstration use in the United States. Packers saw an opportunity to move surplus stocks by means of this new sales stimulus, and Armour is said to have got the jump on competitors by making secret purchases of cellophane for this purpose.

Used For Meats

Loblaw's expanded their use of cellophane to wrap other meats as well as bacon. Perhaps it would not have been possible for this firm to operate its "meataterias" without this type of wrapping. Otherwise, it would be necessary to cut the meat right on the spot. Through wrapping the cuts in cellophane, meat is marketed by Loblaw's just like cheese, beans, candies, etc. This gave the company added diversity in its lines. It increased total sales because it had not been feasible previously to sell meats in the groceteria, self-service type of retail outlet.

Grocery stores have been quick to take profitable advantage of visible wrapping for many types of bulk goods. Macaroni, dried beans, noodles, etc., which were once upon a time kept in the background in bulk, are now prominently displayed, and their sales increased, through the use of cellophane bags. A higher profit is sometimes made also. A slight difference in price for the sanitary, visibly-wrapped food product does not appear to deter its retail sale in comparison with the unwrapped bulk product. Actually there is little necessity for a higher price for the cellophane-wrapped goods. The cost of using this form of visible wrapping is less than one per cent of the cost of the goods, manufacturers inform The Financial Post. Visibility alone is not good enough to get big increases in sales of food products. It has been found, for instance, that free display of macaroni in bulk does not increase its sales materially. But if it is wrapped in transparent bags, the gloss of the wrapping and sanitary appearance do increase sales.

Successful Experiment

A Toronto grocer increased his sales of candies and shelled nuts to many times their former volume by use of cellophane bags. He started with one line of chocolates. They sold so well that he tried the same experiment on several other lines. Finally, he was selling all kinds of candies, as well as walnuts, peanuts, pecans, etc., in transparent bags, and had jumped his sales of such confections from about $10 to $150 weekly. Practically "found" business.

It should be noted that different types of visible wrapping should be used for different products. Colored cellophane is advisable for some purposes. For other purposes, such as for tobaccos, coffee, meats, etc., the moisture-proof article is best.

A leading candy manufacturer put out a marshmallow bar in cellophane. This bar soon got hard and went stale. It was then discovered that the manufacturer had not used moisture-proof cellophane, but simply the plain quality. The apparent failure of the wrapper was found to be due to the choice of the wrong type of "Cellophane" for the particular product. By the time the correction was made the bar had such a bad reputation that its sale was killed due to dealer resistance.

Many do not know that there are two separate and distinct types of cellophane — plain and moisture-proof. Each has different qualities and sells at different prices, the plain costing less than the moisture-proof. It is necessary to secure competent advice as to which type is required for packaging a specific product. Many products do not require the moisture-proof type. Sales, on the other hand, may be adversely affected if the plain variety is utilized where moisture-proof should have been used, as in the case cited of the marshmallow bar.

There are also some packages to which cellophane is not wholly suited. As an instance of the latter, consider certain types of candy packages which are intended to convey the impression of luxury. Cellophane's gloss might not give the desired effect, if used as an outside wrapper. It might be used to advantage as an inside wrapping in the package, however. Display of such packages could be made to show how cellophane inside the box keeps the candy fresh and sanitary. This would give the visible display aid to sales through the sight appeal of the article.

Value of Visibility

In using visible wrapping, the chief value of the wrapping is its invisibility, apart from cellophane's preservative qualities. It is the visibility which sells. Thus, it is worse than useless to clutter up a transparent wrapping with too much printing. It is a mistake, in most cases, to use painted backgrounds for cellophane printing. If the article to be visibly wrapped is dark in color, white, gold or similar light inks give the best effect, using the color of the article itself as a background. If the article is light-colored, dark ink is better. The less printing there is the better. Of course, cellophane is effectively used, as an outside wrapper, for preservative purposes and to give a gloss to packages which carry all the printing themselves. This is exemplified in visible wrapping of cigarette packages.

The sanitary value and appearance of cellophane makes it particularly adaptable for use as an outside wrapper on many forms of druggists' goods. On the other hand, there might be little value in wrapping canned fruits and vegetables in this way. This, of course, is a debatable point, and could only be proved by experiment. It would increase impulse sales, in some cases, but might make brand names less prominent.

Psychological Effect

The psychological effect of cellophane wrapping, and its creation of impulse sales as a result is probably the explanation of the increased use of visible wrapping for packaged goods. The wrapping gives the package or article an attractive gloss. It gives the impression of preserving any perishable qualities of the product, and gives an actual sanitary benefit. The buyer can see what he is getting although it is wrapped. These are the qualities which should be considered when weighing the possible advantages of cellophane wrapping to a product.

It may be considered peculiar that visible wrapping has improved retail sales of such goods as textile products. It might be thought, for instance, that men's shirts would be just as saleable without such wrapping, particularly since the texture of the cloth can be examined. It does not appear to be the case, however. An eight-day test by a United States retail chain showed that a certain brand of shirts sold four times as fast when wrapped in cellophane as when displayed, unwrapped, under glass. The display under glass was a disadvantage, of course. But a test was made with ladies' handkerchiefs wrapped in cellophane and unwrapped, both displays being on the counter and at the same price. Sales were nearly doubled with the use of the visible wrapping.

On the other hand, it it understood that pyjamas were found to sell better when the customer could feel the cloth, in at least one case. In order to overcome the seeming disadvantage of cellophane-wrapped pyjamas, an envelope style of wrapper, which would allow access to the goods has been developed. This would appear to answer the problem of textile manufacturers in using visible wrapping.

A two-weeks test in New York of packed tea sales was made recently. One week the tea was displayed in unwrapped packages. The next week the packages were cellophane-wrapped. In the second week, sales of the tea were 42 per cent higher than in the first week. In both weeks the price was the same, and the position of the display was the same. Such tests do not indicate, of course, that similar increases can be realized at any time by use of visible wrapping. But they do show that the cellophane-wrapped article sells better.

Opportunity Missed

To get back to men's shirts. A package designer recently told The Financial Post that he tried to sell a Canadian shirt maker a cellophane wrapping with a silver strip across the front for his product. The sales manager wanted the visible wrapping. He was finding that his unwrapped shirt was losing ground to another well-known Canadian brand which is wrapped in cellophane. He felt that his product was just as good, but that it did not have the same attractive appearance to get impulse sales as his competitor's. He was sure that the visible wrapping provided the answer. The designer attempted to sell his idea to the firm, but found that he could not do it. The reason was not that there was anything the matter with the scheme, but that there were several chief executives, none of whom appeared to be willing to accept the responsibility for the change. He couldn't get them together to make a decision. This may have been an exceptional case, but it indicates that there are opportunities, at least for experiment with better methods of packing goods, which are being missed.

There have been many cases of sales resistance to the use of visible wrapping. Increased sales of visibly-wrapped goods have forced changes of mind in such cases. Of course, it takes nerve, and money, to make wrapping and packaging experiments, but business men cannot afford to allow competitors to get ahead of them with better presentation of their products.

Discovery of Cellophane

Perhaps one of the most striking instances of failure to develop a product is in cellophane itself. It was actually discovered in France by J. E. Brandenberger about 30 years ago, but has only come into common use in the last few years. The reason was that chemical processes for manufacture of cellophane 30 years ago were not developed to the economical stage that they are today. The many uses for the product may not have been foreseen. But cellophane was discovered in seeking a transparent coating to keep tablecloths clean. This, in itself, would seem to have indicated the use for it. Now we have what Brandenberger was seeking. But improved methods of manufacture and high sales have brought the price down to a real economy basis in recent years.

Editor's Note.—This is the second of a series of articles on re-packaging as a sales stimulant. The next article will follow in an early issue.

Economic History Repeats Itself

Wisdom and Fallacy Down the Ages

HOARDING AND PUBLIC OWNERSHIP IN ROME

"The scarcity of precious metals in Rome coupled with their fluctuating value....rendered it difficult for any one to save wealth; they also made men unwilling to risk their accumulations in business of any kind. The complete uncertainty in prices paralyzed trade, and capitalists were induced to hoard their coins for better days which never came. Industry did not offer a tempting field, as the enterprising man of business would often have to face the competition of a manufactory organized by the State..... General decay ensued; money and circulating capital are not necessary for the maintenance of human life, but they were necessary for the maintenance of a civilized society like the Roman Empire."

—*"Western Civilization in its Economic Aspects," by Prof. W. Cunningham.*

* * * *

JOHN BRIGHT FLAYS PRICE-FIXING

"The Right Hon. Baronet opposite (Sir R. Peel) has confessed that he cannot regulate the wages of labor or the profits of trade. Now the farmers are dependant for their prices on the wages of the laborer and the profits of the trader and manufacturer; and if the government cannot regulate these—if it cannot guarantee a certain amount of wages to the one or a fixed profit to the other—how can it regulate the price of agricultural produce?

"The first point to which I should wish to make this committee instrumental is to fix in the minds of the farmers the fact that this House exaggerates its power to sustain or enhance prices by direct acts of legislation. The farmer's interest is that of the whole community and is not a partial interest, and you cannot touch him more sensitively than when you injure the manufacturer, his customer.

"I do not deny that you may regulate prices for a while—for a while you have regulated them by forcing an artificial scarcity; but this is a principle which carries with it the seeds of self destruction, for you are thereby undermining the prosperity of those customers upon whom your permanent welfare depends. A war against Nature must always end in the discomfiture of those who wage it."

—*Speech of John Bright in the House of Commons in March 1844.*

* * * *

The quotation from John Bright's speech is supplied by Phil. J. L. Masurier, of the Royal Bank of Canada, Herschel, Sask.

STEEL OF CANADA LOWERS DIVIDEND ORDINARY SHARES

Decline in Sales This Year Precedes Action by Directors

From Our Own Correspondent

MONTREAL.—Following upon a further decline in sales since the beginning of the current year, directors of Steel Co. of Canada deemed it advisable to limit dividend distribution and to that end have lowered the dividend on the common stock from 43¾ cents to 30 cents a share quarterly.

In a statement accompanying the dividend announcement it was declared no other company engaged in the basic steel industry on the continent had maintained its dividend unchanged. A conservative policy in the past had enabled the company to maintain payments on the ordinary shares, it was added, although dividends declared for 1932 involved a reduction in surplus of $1,042,315.

Status Capital Stock

At present Steel of Canada has outstanding $6,496,300 of preference stock and 460,000 shares of no par value common stock. Both have equal voting rights. It will be recalled that in November, 1928, the old common stock was split on a four for one basis, the par value being changed from $100 to no par value. At the same time the par value of the preference was changed from $100 to $25, four new shares being issued for each old one.

A dividend of 7 per cent, has been paid regularly upon the common stock since 1919. In 1928 the dividend on this issue was increased to $2 (8 per cent on the old shares). A similar dividend was declared on the preference shares, but this action was contested by two shareholders who claimed cumulative rights on behalf of the ordinary shares. This case finally went to the Privy Council which ruled in favor of the plaintiffs—namely that the ordinary shareholders were entitled to 7 per cent per annum on their shares since the formation of the company before the preference shareholders were entitled to any further distribution of earnings over and above the 7 per cent rate.

IMPROVEMENT SEEN IN SEVERAL CITIES

Wholesale and Retail Trade Experience Spring Demand

Weekly trade report of the Canadian Credit Men's Trust Association, for the week ending March 25, is as follows:

Halifax—Both wholesale and retail trade report no improvement over previous week. Collections still poor.

Saint John — Wholesale trade reported as showing some signs of improvement. Retailers report considerable activity in practically all lines. Collections fair.

Montreal — Very little change in trade noted during the past week. Wholesale trade generally quiet. Both city and country retail merchants report very little trading during the week. Collections: wholesale fair—retail slow.

Toronto — Wholesale trade anticipating somewhat increased orders for spring demands. Optimism still prevalent although actual orders continue to be very small. Food products and produce moving well. Automotive industry reports somewhat increased activity. Collections—slow.

Winnipeg — Wholesalers report trade in grocery lines continues fair. A little more activity in ready-to-wear and footwear lines, although volume of sales not greatly improved. Dry goods and clothing fair only. Hardware quiet. Retail trade generally shows some signs of improvement, due to commencement of spring trade. Collections fair.

Regina — Wholesalers report fair volume consistent in grocery lines. Dry goods reported as moving slowly for some considerable time. Hardware slow. Retail trade, both city and country, continue dull. Collections: wholesale, slow generally — current accounts fair. Retail — city, slow; country—practically nil.

Moose Jaw—Wholesale and retail groceries reported fair; wholesale boots and shoes quiet; wholesale and retail hardware fairly good; retail dry goods fair. Collections fair.

Saskatoon—Wholesale grocery lines remain practically the same. Hardware shows no material improvement. Dry goods report a slight increase in sales for the week. Boots and shoes fair only. Oils and greases report a slight improvement over past few weeks. Retail city trade fair, the commencement of spring buying resulting in a slight increase in sales. Collections remain fair to slow.

Calgary—Wholesale and retail grocery sales holding up fairly well. Other lines showing slight improvement. Current accounts being satisfactorily taken care of. Old accounts slow.

Edmonton—Both wholesale and retail trade reported as showing some improvement. Collections on current accounts fair, with little change noted on old outstandings.

Vancouver — Wholesale hardware business reported as showing considerable improvement, due to the increased activity in mining business as well as the seasonable opening of various industries. Grocery trade also shows a slight improvement. All other lines reported as fair. Collections continue as slow to fair.

Newfoundland Notes

Sealers are making good catches, reports from the icefields stating that in the first week of operations 80,000 seals had been captured and another 9,000 panned. In this period last year the fleet had only captured 16,000 seals.

Newfoundland Board of Trade announces that it will issue the first copy of what will be a monthly journal early in April.

The Royal Commission investigating conditions on the island arrived on March 13. The commission consists of Rt. Hon. Lord Amulree, G.B.E., K.C., chairman, representing the United Kingdom; C. A. Magrath, LL.D., representing Canada, and Sir William Stavert, K.B.E., representing Newfoundland.

Salt Codfish Exportation Board, authorized under the Salt Codfish Act passed in 1931, but never operative, has been formed. D. J. Davies, attached to the High Commissioner's office in London, has been appointed chairman and the government has agreed to release him from his former duties. The duties of the board consist of inspection and grading of salt codfish for the export market and the board has arbitrary powers to set certain standards which must be observed.

Better Fish Outlook in Nfld. But Prices Extremely Low

Some improvement in outlook is reported from St. John's, Newfoundland, regarding the foreign fish markets. The Italian market is particularly good and the Brazilian one is also showing improvement. The European situation, taken all over, is encouraging, it is stated.

As far as the fisherman is concerned, however, the poor returns which he has been receiving for the past two years leave little room for profit. Just how low prices have fallen is shown in the following table giving prices received by fishermen for cod.

Average Price for Cod to Fishermen

Years	Per Quintal
1860-1900	$3.20
1901-1910	3.90
1911-1920	7.00
1921-1930	5.90
1931-1932	1.80

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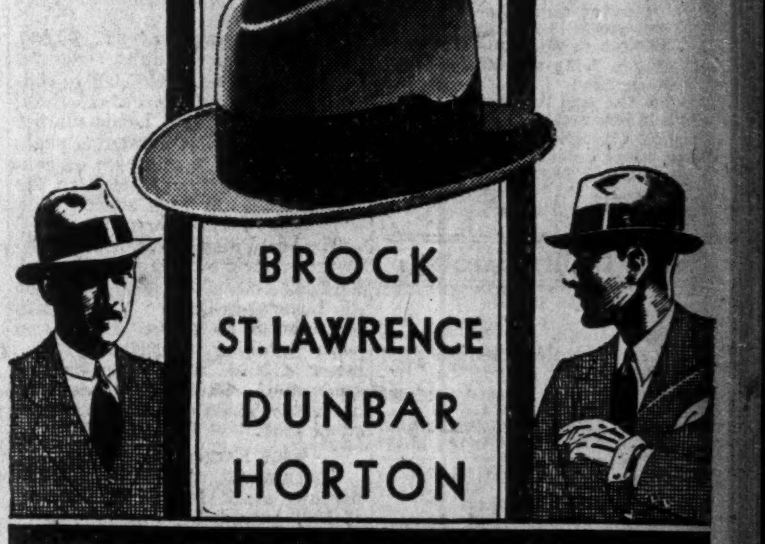

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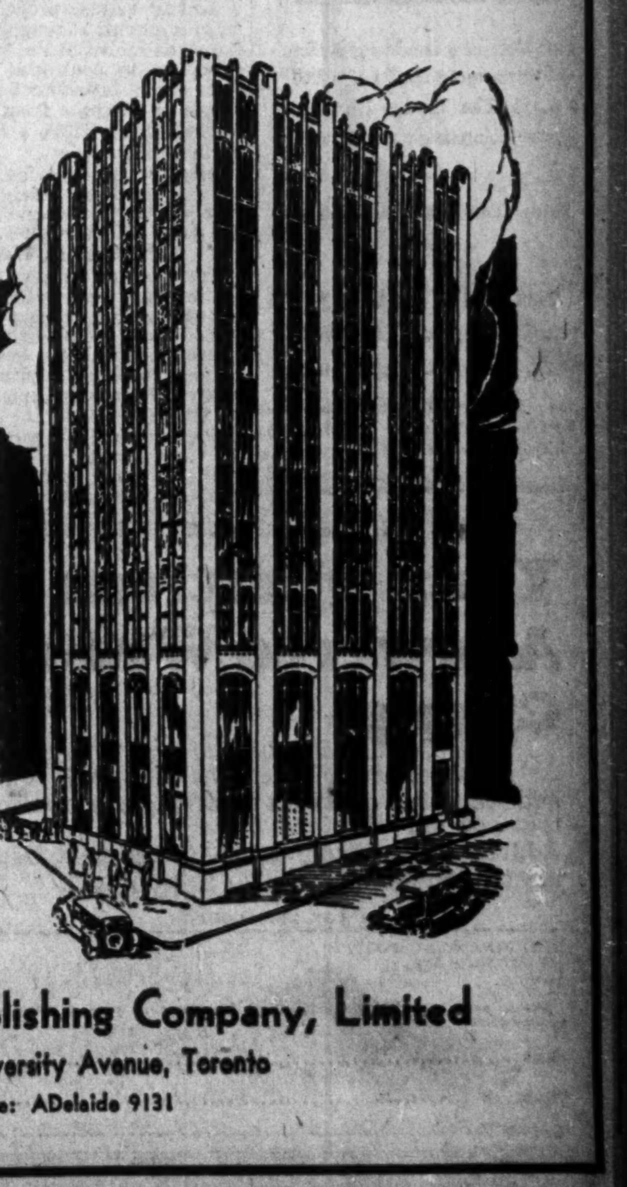

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Utilities and Transportation

C. G. M. M. FLEET REDUCE LOSSES FOR PAST YEAR

Deficit of $4,197,349 in 1932 Down Nearly $1,200,000

From Our Own Correspondent

MONTREAL.—Consolidated income account of the Canadian Government Merchant Marine Ltd. for 1932 shows a net income deficit of $4,197,349. This compares with $5,405,414 in the previous year.

Over the last few years the C. G. M. M. has faced a series of lean years. Though conditions continue to be unsatisfactory, hope is expressed by S. J. Hungerford, acting president, in his report, that the volume of Australian and New Zealand traffic will undergo an improvement.

Last year boats of the C. G. M. M. fleet completed 31 voyages. Operating revenues amounted to $2,261,755 as against $3,789,228 in 1931. Operating expenses were reduced from $4,233,514 to $2,588,368, leaving an operating deficit of $326,513 in 1932 compared with $444,285 in 1931.

Big Book Deficit

This deficit did not provide for depreciation charges or interest on Government notes and advances, which when added, bring the total income deficit to more than $4,000,000 as shown in the following consolidated income account:

	1931	1932
Oper. revenue	$3,789,229	$2,261,755
Oper. expense	4,223,514	2,588,368
Oper. loss	444,285	326,613
Add: Depreciation	1,783,390	1,301,958
Int. due govt.	3,177,739	2,568,778
Total deficit	5,405,415	4,197,349
Less: Int. cancelled	575,990	......
Def. boats sold, etc.	417,864	11,848,577
Add: W/o boats sold	......	77,151
Prev. deficit	57,640,001	62,051,561
Deficit forward	62,051,562	54,477,484

Sell Eight Vessels

During the year the company disposed of 8 vessels, which resulted in a writing down of assets by $11,848,577. The balance sheet at the end of last year indicated assets of $38,797,219 as against $51,042,283 at the close of 1931.

The principal change is in the writing down of fixed assets from $44,681,703 to $32,719,705. Proceeds of the sale of the 8 boats amounted to $120,942, which sum was deposited to the credit of the receiver-general and the liability to the government, represented by notes, was cancelled.

Current Assets Lower

Current assets show a shrinkage of some $600,000 to $1,524,248, the principal change being a smaller amount of cash on hand.

Up to the end of last year the profit and loss account shows a deficit of $54,797,484 against which the Dominion Government notes and advances totalled $73,156,229. Of the latter sum $26,712,028 represents interest accrued and unpaid.

Public Utility Earnings

Brazilian Traction

February:	$ 1933	$ 1932	$ Decrease
Gr. earn.	2,230,394	2,420,300	189,906
Oper. exp.	1,043,753	1,074,268	30,515
Net earn.	1,186,641	1,346,032	159,391
2 Mos. end. Feb. 28:			
Gr. earn.	4,535,962	4,827,302	291,340
Oper. exp.	2,129,303	2,136,469	7,166
Net earn.	2,406,659	2,690,833	284,174

Barcelona Traction

	1933 Pesetas	1932 Pesetas	Increase Pesetas
Gross Earn.	10,159,867	10,112,601	47,266
Oper. Exp.	3,164,733	3,251,563	*86,830
Net earn.	6,995,134	6,861,038	134,096
Aggre. Gross from Jan. 1	20,886,277	20,401,435	484,842
Aggre. Net from Jan. 1	14,443,282	14,022,042	421,240

* Decrease.

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Increase in Liabilities Features Annual Report Canadian Pacific Railway

Effects Declining Traffic Seen in Current Statement

MORE BORROWINGS

Numerous Changes Made in Balance Sheet — Outline Contingent Liabilities — Cash is Less

From Our Own Correspondent

MONTREAL.—Important changes are noted in the Canadian Pacific Railway Co.'s report to its shareholders on operations for 1932. In the preliminary report which has already been published, it was noted that net income was insufficient to permit the company to pay more than the half-yearly dividend on the preference shares, while no distribution was made on the ordinary shares. Despite the reduction in dividends income was not sufficient to cover all charges and a deficit of $2,487,257 was recorded.

The shareholders' report, dealing with the management's review of operations and finances, together with the balance sheet and supplemental data, provides a broader insight into the difficulties faced by the company following upon a series of sharp declines in operating and special income.

The balance sheet at the end of 1932 shows little change in the value of assets in comparison with those reported at the end of the preceding year. Examination of the items going to make up the balance sheet, however, reveals numerous changes of importance to the shareholders.

Dividend Not Cumulative

Capital stock outstanding has remained unchanged—ordinary stock at $335,000,000 and preference stock at $137,256,921. Dividends on both of these issues have been passed. In neither case is the dividend cumulative so that no added liability is incurred.

More Debenture Stock

The amount of 4 per cent consolidated debenture stock issued amounts to $455,911,548. This compares with $398,911,548 at the close of 1931.

Of this increase of $57,000,000, $17,000,000 was put up as collateral for a new issue of $2,500,000 of convertible 10-year 6 per cent collateral trust bonds. These bonds mature in 1942 and in the intervening years holders have the privilege of converting into ordinary stock on the basis of $25 for each share.

Shore Term Borrowings

The remaining $40,000,000 of debenture stock was up as collateral, together with $5,000,000 of bonds of Lucerne-in-Quebec Community Association to secure short term notes totalling $40,000,000. The latter figure represents an increase of $5,000,000 over the amount of short term notes reported in 1931.

Issue Exceeds Authority

The amount of consolidated debenture stock issued at the end of 1932 exceeded the amount authorized by the shareholders. At the close of 1931 the amount of this stock issued was $398,911,548. In May, 1932, shareholders authorized the issue of a further $50,000,000, bringing the total authorized amount up to $448,911.548.

At the end of 1932, therefore, the company had issued $7,000,000 consolidated debenture stock more than was authorized by the shareholders. It will be necessary to authorize the issue of additional debenture stock to take care of this, as well as for additional requirements during 1933.

Liability in respect to equipment obligations has been reduced from $46,140,000 to $41,850,000.

Owing to Dominion

A new item among deferred liabilities is $1,447,222 on account of Dominion Government Unemployment Relief. This covers sums advanced by the Government to the company for the carrying out of work to provide employment. This work was anticipated and the amount expended is carried as a deferred liability.

Among assets, property investment is carried at roughly the same figure as shown in the 1931 report. Advances to controlled properties and other investments, however, shows an increase from $9,458,713 to $14,510,776. There are no details of these advances.

Investments and available resources are down nearly $5,000,000 to $140,762,083 owing to the writing down of land values.

Cash Position Weaker

The working capital position of the company was not improved during the year. Current assets exceeded current liabilities by $39,889,566. This is the lowest figure for net working capital reported in several years and compares with $51,029,584 in 1931.

The principal change here is in the cash position. Cash resources of the company at the end of 1932 totalled $20,870,586. This compares with $28,722,791 at the close of 1931, a drop of $7,852,205.

Important changes have taken place in the set-up of reserves. In order to make for greater simplification of surplus the "surplus in other assets" $54,941,682, representing undistributed balance of special income has gone to surplus revenue account and the balance of $56,316,953, representing surplus in lands and properties, to land surplus account.

The surplus revenue account at the beginning of the year stood at $182,521,576. After deducting dividends and balance of income for 1932, there remained a balance of $173,101,680. From this was deducted loss on lines abandoned of $2,031,985 and $4,000,000 as a reserve for losses in respect of investment in lines in the United States, bringing the amount to be carried forward down to $167,069,695.

List Contingent Liabilities

A feature of the 1932 report is a table showing the C. P. R.'s contingent liabilities in respect of subsidiaries not operated or wholly owned. The total of such obligations is $100,391,332, of which $5,950,000 represents principal and interest guaranteed and the balance a guarantee of interest only. This is apportioned as follows:

Aroostook Valley Railway—$736,332;

Lord Nelson Hotel Co., Halifax, $600,000;

Minneapolis, St. Paul and Sault Ste. Marie Railway, $95,105,000;

Sault Ste. Marie Bridge Co., $1,000,000—jointly and severally guaranteed with the Minneapolis, St. Paul and Sault Ste. Marie Railway and Duluth, South Shore and Atlantic Railway;

South Shore Dock Co. (lease) $950,000;

Toronto, Hamilton and Buffalo Railway Co. $2,000,000—jointly and severally guaranteed with Michigan Central Railroad, New York Central and Canada Southern Railway.

Buy More Smelters

Two changes took place in regard to miscellaneous investments. First was an increase of 14,553 shares to 305,587 shares of common stock held in Consolidated Mining and Smelting Co. of Canada. The second change was the writing down of the par value of Canadian Pacific Express Co. stock held from $5,000,000 to $3,000,000.

In the remarks of E. W. Beatty, chairman and president, to the shareholders, little or no reference is made to hotel operations or the Canadian Pacific Steamships.

C. P. R. Report Features New Developments

From Our Own Correspondent

Gross operating income amounted to $123,936,713 as against $147,846,118 in 1931. Net earnings in the same period declined to $20,098,984 from $25,424,766.

Sales of agricultural lands for 1932 totalled 59,581 acres for $803,663. This is the second smallest acreage sold during the past 15 years, while the gross receipts from land sales are lower than reported for any one year since 1917.

Capital expenditures last year amounted to $426,730. Expenditures on capital account this year aggregate $1,609,787, of which $1,609,787, of which $1,310,500 represents the cost of materials already purchased and in stock.

Short term loans have increased from $25,000,000 to $30,000,000. Security comprises $40,000,000 of consolidated debenture stock and $5,000,000 bonds of Lucerne-in-Quebec Community Association.

No dividends were received by the company on its holdings of stock in Consolidated Mining and Smelting Co. of Canada. The par value of stock held amounts to $7,639,675.

During 1932 the C. P. R. purchased 14,553 shares of common stock of Consolidated Mining and Smelting Co. of Canada, bringing holdings up to 305,587 shares. Cost of these shares will not be available until separate schedules are published.

Par value of the Canadian Pacific Express Co. common stock was written down in 1932 from $5,000,000 to $3,000,000.

Number of C. P. R. pensioners show an increase during the year of 150, while payments advanced from $1,261,113 to $1,431,996. Balance in Pension Fund amounts to only $108,526.

Additions and improvements to the company's ocean and coastal steamships involved an outlay of only $10,361 during 1932.

Contingent liabilities in respect of subsidiaries not operated or wholly owned total $100,391,332, of which the company guarantees principal and interest of $5,950,000 and interest only on the balances.

A reserve of $4,000,000 has been set as provision for losses in respect of investment in lines in the United States controlled through stock ownership (largely Minneapolis, St. Paul and Sault Ste. Marie Railway).

Minneapolis, St. Paul and Sault Ste. Marie Railway borrowed $2,000,000 from the Railroad Credit Corp., principal and interest on which was guaranteed by the Canadian Pacific Railway. (NOTE.—Since the beginning of the year the C. P. R. has agreed to advance in the first half of 1932, $5,500,000, of which $2,200,000 was paid to the Soo Line in January.)

Value of lands held by the C. P. R. were written down by $3,602,722 in 1932.

Port Expenditures Drain on Treasury

Advances to Harbor Commissions Total $133,000,000 to Date, of Which Gibb Report States Much is Valueless at Present Time

From Our Own Correspondent

MONTREAL.—Indications are that the Government at last intends to take some steps to clear up the tangled situation which surrounds Canadian harbors. The first tangible sign was contained in the last budget when Hon. E. N. Rhodes took the drastic step of transferring $26,000,000, representing advances to Three Rivers, Halifax, Saint John and Chicoutimi Harbor Commissions, from the list of active to non-active assets with the terse comment that interest on these loans can only be paid because it is added to construction and that the financial position of these commissions is anything but satisfactory.

Expenditures on harbors in the past decade have involved a heavy drain on the national treasury.

Over $54,000,000 has been spent on Vancouver and Montreal ports alone, while harbors at Quebec, Halifax and Saint John have been advanced over $82,000,000. To date the grand total of advances made by the Government to harbor commissions has been $133,982,000 in addition to $21,667,000 of guarantees of harbor securities. With the exception of Vancouver and the partial exception of Montreal these advances are largely valueless according to the national ports survey conducted by Sir Alexander Gibb in 1931.

The situation has developed along the lines which have placed the Canadian National Railways in its present condition with a consequent drain on the treasury and the taxpayers' resources. Millions of dollars have been spent on harbor developments until some now have a capacity far in excess of their present activity. Interest on these advances made by the Government remains unpaid for the most part; unless they are checked, harbor expenditures will continue to add to the taxpayers' burden while contractors busy themselves with extensive and in some cases unwarranted harbor works. The Gibb report urged a more definite and effective control of expenditures, stating that the immediate requirement is a period of reorganization and consolidation to enable full advantage to be taken of this heavy outlay on capital works. Will it be acted on?

Advances Made on Wide Scale

Advances to harbor commissions in 1929-1930 totalled $11,436,000; in the next year they were $15,777,000 and in 1931-32 amounted to $14,051,000. In the year just closing loans to harbor commissions are estimated at $6,657,000. A large part of these advances is now on the non-active list of the Government's assets. In the past it had been the practice to carry these loans, with the exception of those for the Quebec Commission and the Montreal Harbor Bridge deficit, as active assets, on the assumption that they represented capital works which would sustain the debts incurred for them. Now the Government has faced the fact that it has no hope of recovering principal or interest on the majority of these loans and has transferred $26,000,000 of them where they belong—to non-active assets.

Following are details of loans to harbor commissions during the past four years with total advances to date:

ADVANCES TO HARBOR COMMISSIONS
(000's omitted)

	1929-30	1930-31	1931-32	Estim'd. 1932-33	Total to date
Chicoutimi	$ 815	$ 846	$ 465	$ 324	$ 2,950
Halifax	1,272	3.539	2,752	1,023	8,616
Montreal—Construction	4,336	2,291	1,412	614	58,003
Montreal—Bridge	....	170	534	395	1,099
New Westminster	....	....	189	56	245
Quebec	2,821	3,491	1,379	500	26,309
Saint John	1,711	1,094	5,764	2,581	11,752
Three Rivers	136	1,544	747	255	2,682
Vancouver	345	2,802	809	909	22,326
Total	$11,436	$15,777	$14,051	$6,657	$133,982

From the above it will be seen that the only active loans among advances to commissions are those made to Montreal, New Westminster and Vancouver; the balance, apparently, have been given up as irrecoverable. The Gibb report did not quibble and recommended that the capital value of each port should be readjusted to an amount the interest on which would be within the port's normal capacity. "This," said the report, "may in some cases mean practically the extinction of the present capital but that is preferable to the present state where almost all ports have the disheartening stigma of a permanent and incurable insolvency."

Harbor Developments Termed "Racket"

The "port racket" is how one observer has classified unwarranted expenditures on some of Canada's harbors. In recent years it has been particularly noticeable and capital outlays on harbor developments have too often proved a means of prying open the governmental purse to satisfy political ends rather than to undertake economic developments. Gibb remarked that it was unfortunately the fact that some of the port developments in Canada on which very large sums of money had been spent had been undertaken without sufficient consideration either as to probable return on the capital or the effect on already existing, and quite adequate, facilities. "I do not propose to reopen these contentious matters," he said in his report, "nor to discuss the heavy construction programmes at Chicoutimi, Three Rivers, Sorel, New Westminster, Prince Rupert and Port Churchill. I will only say that in my opinion these have not been strictly and definitely related to any national port policy. In the future such developments should only be undertaken as part of a coherent policy and should not be decided by any other consideration."

There are 399 ports in Canada, of which 319 are federal. Of the latter 14 are administered by the Department of Marine through harbor commissions, while 303 are administered by the department by a harbor master. For the most part, operation of these ports is a charge on the national treasury, while capital outlays have been financed by the public to the tune of some $120,000,000 in the past decade.

Ports Must Be Subsidized

It is idle to say that this money has been wholly wasted. The Canadian ports are an inherent and vital unit in a national system of transportation. They exist primarily as the connection between land and seas in the long route that the exports of Canada must take to reach their market. For that reason, almost all ports in Canada have become federal property. There can be no quarrel with the fact that Canadian ports are under federal supervision; there are very definite reasons why this should be so. Here is what Sir Alexander Gibb says in this regard:

"The average length of route to and from seaboard that Canadian imports and exports have to traverse is probably not less than 500 miles. The average in Great Britain is barely 50 miles. There are five recognized national seaports in Canada and altogether not more than 15 reasonably serviceable seaboard ports, to deal with the overseas traffic of a producing area of some 1,500,000 square miles. Six of them are not open the whole year. In the United Kingdom there are probably nearly 90 comparable ports for an area of less than 90,000 square miles.

"The comparison affords some measure of the geographical handicap that Canadian trade has to face, and of the importance that Canadian exports should be assured maximum economy in transport charges, and in particular should be protected from any avoidable loss or expense in the transfer to ocean carrier.

"The situation is accentuated by the fact that Canadian exports are largely agricultural and raw materials, which together still equal about two thirds of the total value (excluding precious metals). Industrialization is certainly developing rapidly, and in the normal course the growth of population will involve a reduction in the export of natural products and an expansion of manufactured exports, combined with an increase, both in volume and diversity, of imports. For many years, however, ruling factors in the overseas transport problem of Canada will be the excess of exports over imports, and the predominance of an agricultural traffic that demands exceptionally low rates.

"For these reasons the central Government in Canada has been more closely concerned with transportation questions than in many countries; for these reasons the whole system has required and still requires subsidization to a vast extent; and for these reasons the ports, in the interests of the country as a whole, have been created, equipped and administered on broader lines than strictly economic and business principles. In my opinion there is no alternative policy, and the ports must continue to be directed as national ports, in accordance with the national policy and with the national credit behind them."

The Canadian taxpayer has contributed largely in the past to expansion and upkeep of ports and harbors. Owing to geographical conditions, Government subsidization has been necessary. The question is: Has the public got full value for the millions spent each year on harbor works, and have these continued advances by the Government to harbor commissions been entirely justified?

Further details of the port racket will appear in an early issue.

C. S. L. RELIEVED OF SINKING FUND FOR FIVE YEARS

Senior Bondholders Pass Resolution — Juniors Forming Committee

From Our Own Correspondent

MONTREAL. — Holders of Canada Steamship Line 5 per cent bonds have agreed to defer the sinking fund payments, while holders of the 6 per cent bonds are going ahead with the task of forming a protective committee.

The approved resolution on the senior security call for the deferment of sinking fund payments for a period not exceeding 5 years from August 14, 1932.

In the early part of last fall it was expected that the company would be able to meet sinking fund and interest obligations. What had been expected to be a normal flow of grain did not materialize and the company found itself in a position of being obligated to take the 90 days of grace in meeting sinking fund payments. On November 15 the trustee was notified that the company would not meet its obligations.

Early this year it was announced that interest on the general mortgage bonds, in April, would not be met.

Steps were taken to call a meeting of the senior bondholders. At this meeting a resolution was offered calling for a deferment of sinking fund payments. This was passed by the bondholders.

The protective committee on the general mortgage bonds is still in process of formation, but it is expected that the personnel of the committee will be announced sometime next week.

UNTREATED EASTERN CEDAR POLES

25 ft. to 50 ft.

ALFRED E. COWLING

Scotstown Que.

LOSS ON NATIONAL OVER $100,000,000 IS GREATEST YET

Total Deficiency Climbs to Huge Figure in 1932

OPERATING GAIN

Net Revenue Increased in Spite of Sharp Drop in Gross Earnings Last Year

From Our Own Correspondent

MONTREAL.—Statement of the Canadian National Railways for 1932 reveals the largest system loss in the history of the enterprise. Deficit at profit and loss, including interest on Government loans accrued but unpaid, has now reached the total of $763,765,143 an increase of $94,072,816 over the previous year. Funded debt has been reduced by $11,940,000 but Government loans have increased by $91,317,000 and interest accrued but unpaid now totals $388,930,381. The combined total of the two latter items now amounts to $1,084,653,588.

From an operating viewpoint, the company more than held its own by dint of drastic reductions in working expenses. Though gross revenues declined $39,401,567 operating expenses were cut by $44,104,834 and net operating revenue was $5,895,433 an increase of $4,703,266 over 1931. After taxes, other charges, and interest of $56,965,278 on funded debt there was a net income deficit of $61,006,919 exclusive of interest on Government loans. This deficit was $137,124 over the figure reported at the end of 1931.

Unpaid Interest Mounts

Unpaid interest on Government loans during the year totalled $35,525,540 and after other debits net loss for the system was $101,335,073 up from $99,275,680 at the end of 1931. A deficit on eastern lines was paid by the Government, there was added only $94,072,815 to the previous debit balance making a total debit of $763,765,143 forward.

Following are abbreviated details of profit and loss for the past two years:

	1932 $	1931 $
Operating rev.	161,103,594	200,505,162
Operating exp.	155,208,160	199,312,996
Net revenue	5,895,433	1,192,166
Gross income	9,896,451	5,874,416
Net dificit	4,041,640	5,282,649
Bond interest*	56,965,278	55,587,145
Net deficit	61,006,919	60,869,794
Int. on loans†	35,525,540	32,643,624
Deficit	96,532,459	93,513,419
P. & L. debits	4,802,614	5,762,261
Net loss	101,335,073	99,275,680
Deduct:		
East. lines def.‡	6,635,844	8,712,762
Int. on loans	626,414	626,414
Net debits	94,072,815	89,936,504
Add prev. def.	669,692,327	579,755,823
Deficit forward	763,765,142	669,692,327

*To public.
†To government.
‡Paid by government.

Working Capital

	1932	1931
Curr. assets	61,223,506	75,694,050
Curr. liabs.	35,170,079	74,053,164
Working capital	26,053,427	1,640,886

Balance sheet shows total assets down $18,000,000 at $2,355,986,334.

Decline in current assets has been more than offset by reduction in current liabilities with a resultant improvement in working capital position.

Bills Are Paid Off

In liabilities, capital stocks owned by the Dominion government are unchanged at $265,628,338 and capital stocks owned by the public are slightly lower at $4,585,225. Grants in aid of construction are up $253,000 at $17,406,770 while funded debt has been reduced by $11,940,000 to $1,264,517,167. Government loans are up $91,000,000 at $604,406,239 and appropriation for Canadian Government Railways is slightly lower at $405,170,073.

Outstanding in current liabilities is a reduction in loans and bills payable from $35,008,250 to $820,673. This decrease largely accounts for the drop in current liabilities.

Reported in Canadian Funds

Auditors note that the accounts are stated in Canadian currency, sterling and U. S. currencies being converted at par of exchange. They also state that depreciation accounting is applied to rolling stock owned by United States lines and to certain fixed property, and retirement accounting on the basis of original cost to other units of property, on the system.

High Lights of Statement

Following are some high lights of the report of S. J. Hungerford, acting president of the system:

Operating ratio, 96.34 against 99.41 in 1931.

Number of employees 76,616 against 91,416.

Capital expenditures (net) $799,158 against $34,287,067.

No public financing carried out in 1932.

Hotel operations showed a profit of $70,392 before taxes compared with a loss of $76,660 in 1931. Gross revenue dropped $590,700.

Passenger train miles cut 4,726,882.

Future commitment of C. N. R. in respect of Northern Alberta Railways is $10,000,000.

Land sales were 8,120 acres averaging $8.45 an acre against 8,349 acres averaging $11.61 an acre in 1931.

Penticton Growers Evaporate Apples

The Penticton Co-operative Growers are evaporating apples as an experiment and if successful will possibly extend their operations in this field.

April Review and Bond List

Developments both at home and abroad during the past month have tended to clarify the financial outlook. A review of some of these events appears in our April Review and Bond List.

Canadian government and municipal bond offerings are included with this review. In the light of the current trend of interest rates, present prices are attractive.

Upon request we shall be pleased to forward copy of our April Review and Bond List.

There is no better investment for Canadians than Canadian government and high grade municipal bonds.

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Toronto Montreal Winnipeg
Vancouver New York London, Eng.

QUALITY ENGRAVING—*the Essential Safeguard in Monetary Documents*

over 100 years of dependable service

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An unvarying standard of excellence is inherent in the products of this company.

Specially prepared safety paper, Canada's finest steel engraving — most difficult to counterfeit — the utmost care in fine printing, are exclusive safeguards for your protection.

Your bond or stock certificate, bearing our mark, will be able to "take care of itself" wherever it goes.

Canadian Bank Note Company LIMITED

Head Office and Works: OTTAWA

TORONTO—BRANCHES—MONTREAL

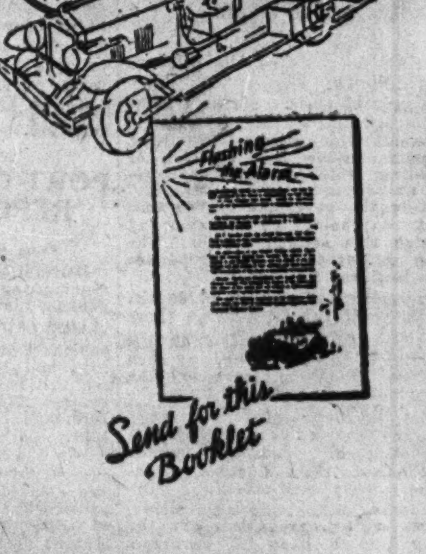
IS YOUR BUSINESS SAFE from the FIRE HAZARD?

The installation of a Dominion Protective System in your building, connected with our Central Station, makes possible the detection of the fire in its *early stages.*

The alarm to our Central Station calls out the fire brigade promptly and dispatches officers to look after the property owner's interests.

Where D.E.P. Fire Alarm Systems are employed, business establishments receive 99.96% immunity from fire. The transmission of fire alarms from protected properties to the fire headquarters through our Central Station is practically instantaneous.

The lowest fire insurance rates are granted where a Dominion Electric Protective System is installed.



Other Dominion Protective Systems include: Electric Burglar Alarm Systems, Night Watch Patrol, Sprinkler Supervisory Systems.

Where Central Station Service is not available we are prepared to install Local Systems connected to the Fire or the Police Department.

DOMINION ELECTRIC PROTECTION COMPANY

Central Stations located at

TORONTO MONTREAL QUEBEC OTTAWA
HAMILTON LONDON WINNIPEG

DOMINION PROTECTIVE SYSTEMS

News of Investment Markets

ONTARIO WILL CUT EXPENSES NO NEW TAXES

Budgets For Deficit of $2,952,000 in Current Fiscal Year

FUNDS RELIEF COST

Budget Committee Has Effected $14,000,000 Savings on Previous Estimates

Reporting a deficit on current account of $2,060,798 for Ontario in the year ended Oct. 31, 1932, Hon. George S. Henry, premier of Ontario, recently tabled the estimates for the current fiscal year of the province. The budget provides for a deficit on current account of $2,952,000 in the year ending Oct. 31, 1933. Relief costs of $9,536,000 will be funded and are not included as current expenditures. Expenditures are estimated at $53,285,000, ordinary revenues at $50,333,000.

The year's sole increase in taxes will be a 10 per cent surtax on Succession Duties which will remain in effect so long as existing conditions persist. Increase in revenue from succession duties is estimated at $2,363,000. In the last fiscal year every source of revenue showed a diminishing return except motor vehicle permits, gasoline tax and corporations' tax. Improvement in revenues is not anticipated in the current year.

Committee Cuts Costs

Hope of obtaining a balanced budget rests with the ability of the budget committee appointed late in 1932. It is claimed that net economies of $14,000,000 have been effected on previous estimates. This committee is composed of Hon. G. S. Henry, Prime Minister; Hon. W. H. Price, attorney-general; Hon. A. E. Dunlop, provincial treasurer; F. M. Turnbull, assistant treasurer; G. A. Brown, provincial auditor; J. M. McCutcheon, civil service commissioner; J. T. White, controller of revenue; and Col. H. D. L. Gordon, of Clarkson, Gordon, Dillworth, Guilfoyle & Nash, chartered accountants.

It is also proposed to discontinue advances to the Agricultural Development Board when such advances amount to $50,000,000. At Oct. 31, 1932, the Agricultural Development Finance Act is credited with $45,721,554 in the balance sheet, an increase of $7,348,000 during the year. Departmental services will be re-arranged after the legislature adjourns in order to eliminate duplication and over-lapping of services.

Comparison of the ordinary revenues and expenditures during the year ended Oct. 31, 1932, with the estimates for the current fiscal year is as follows:

ORDINARY REVENUE & EXPENDITURE
Years Ended Oct. 31

	1932 $	*1933 $
Departmental exp.	38,616,840	34,950,000
Special expense	4,062,944	1,200,000
Debt charges	13,556,247	17,135,000
Ordinary expense	56,236,031	53,285,000
Ordinary revenue	54,175,233	50,333,000
Deficit on curr. acct.	2,060,798	2,952,000

*Estimated.

Included as special expenditures in 1931-1932 are refunds of fines to the city of Toronto of $356,890; exchange on United States funds of $2,330,463; write-off of 20 per cent, or $808,470 on the year's relief costs and an adjustment of $567,120 on the 1931 contribution of the Federal Government toward old age pensions. Exchange on U. S. funds in the current year is estimated at $1,200,000.

Debt Increased

Ontario's gross debt increased by $53,751,892 during 1931-1932 to $572,318,393. Of this increase $43,552,649 was in funded debt while treasury bills increased by $11,465,000. Savings deposits dropped by $3,000,000 and special funds and accounts payable increased by nearly $2,000,000. Increase in gross debt in 1931-1932 compares with increase of $46,945,149 in 1930-1931 but the cash position of the province has been increased by $11,736,093 so that actually gross debt has not gained as rapidly during the fiscal year ended Oct. 31, 1932, as in the previous year. Net debt of the province is $277,673,821, an increase of $33,646,692 in 1932 as compared with an increase of $31,248,847 in the previous year.

Comparison of the gross debt of Ontario at the end of the last two fiscal years is as follows:

ONTARIO'S DEBT AT OCT. 31

	1932 $	1931 $
Funded debt	501,247,311	456,831,263
Less: Sink. fund	6,664,066	5,780,667
Net funded debt	494,603,244	451,050,596
Add: Unfunded debt:		
Treasury bills	37,505,000	26,040,000
Savings deposits	23,709,820	26,855,844
Special funds	16,500,328	14,620,061
Gross debt	572,318,395	518,566,501
Net debt	277,673,820	244,027,129
DEBT INVESTED AS FOLLOWS		
Revenue producing assets:		
Hydro Comm.	187,534,191	186,276,180
T. & N. O. Rly.	30,207,935	30,207,935
Farm loans, etc.	53,459,194	46,154,967
Cash, receivables	23,443,252	11,900,290
	294,644,572	274,539,372
Roads, etc.	182,406,820	166,147,441
Total rev. producing	477,051,392	440,686,813
Non-rev. producing	64,064,032	56,143,190
Other assets	61,968,235	52,852,234
Total assets	603,083,660	549,682,236

Chief reductions in expenditures in the current year will be $1,223,000 in the Department of Education; $702,000 in lands and forests; $994,000 in Northern Development; $766,000 in highways; $289,000 in agriculture. Savings in education are chiefly due to cut in grants; the forest fire prevention costs will be reduced by $500,000, forest nurseries are closed; activities of the Northern Development branch will be curtailed including road maintenance and patrols. Chief increase in expenditure will be in public debt charges which include interest, discounts, etc., up to $17,135,000 from $13,556,000, exclusive of exchange.

Bonds Free from New Tax Are Chiefly Federal Issues

Provinces Have No Obligations That Are Exempt; Numerous Corporations Must Absorb Tax; Bondholders Gain

Canadian securities that are either completely exempt from taxation in Canada or which carry a provision that interest will be payable without deduction for any Dominion tax have an added attraction for investors in view of the proposed tax on securities included in the recent Federal budget. In certain cases such as some Dominion of Canada bonds the holder is exempt from Dominion taxes on both principal and interest; in other cases the tax is absorbed by the borrower and the bondholder is not liable.

The taxes in question are aimed both at the domestic and the foreign holder of Canadian securities. On the domestic holder it is proposed to levy a 5 per cent tax at source on all interest and dividends received where such payments are due in foreign currencies and when such payments are taken in a currency which is at a premium over par in Canadian funds. On the foreign holder of Canadian securities it is proposed to levy a tax of 5 per cent, at the source, on all interest and dividends paid.

Provincial Issues Taxable

Canadian securities on which the holder is exempt from the tax are chiefly those of the Dominion of Canada, both direct and guaranteed obligations, and a number of corporations. The provinces have practically no issues exempt from the tax. It is understood that not one of the provinces has any bonds outstanding that are exempt from the new tax.

On some bonds either the domestic or the foreign holder is liable for the new tax while in other cases foreign holders only are exempt. The following list differentiates between these two classes but is subject to correction.

ISSUES EXEMPT FROM THE 5% DOMESTIC PREMIUM TAX AND 5% FOREIGN HOLDERS' TAX

Issue:	Rate	Maturity	Outstanding	Interest	Payable
Dominion of Canada	5%	Mar. 1, 1937	$90,166,900	$4,508,345	Can., N.Y.
Dom. of Canada, Guar.:					
C.N.R.	4½%	Feb. 15, 1935	17,000,000	765,000	Can., N.Y.
G.T.R.	7%	Oct. 1, 1940	24,743,000	1,732,010	N.Y.
C.N.R.	7%	Dec. 1, 1940	24,282,000	1,699,740	N.Y.
C.N.R.	6½%	July 1, 1946	24,753,000	1,608,945	N.Y.
C.N.R.	4½%	Sept. 1, 1951	50,000,000	2,250,000	Can., N.Y., Lon
C.N.R.	4½%	Sept. 15, 1954	26,000,000	1,170,000	Can., N.Y.
C.N.R.	4¾%	June 15, 1955	50,000,000	2,375,000	Can., N.Y., Lon
C.N.R.	4½%	Feb. 1, 1956	70,000,000	3,150,000	Can., N.Y., Lon
C.N.R.	4½%	July 1, 1957	65,000,000	2,925,000	Can., N.Y.
C.N.R.	4½%	Dec. 1, 1968	35,000,000	1,575,000	Can., N.Y.
C.N.R.	5%	July 1, 1969	60,000,000	3,000,000	Can., N.Y., Lon
C.N.R.	5%	Oct. 1, 1969	60,000,000	3,000,000	Can., N.Y., Lon
C.N.R.	5%	Feb. 1, 1970	18,000,000	900,000	Can., N.Y., Lon
G.T.R.	6%	Sept. 1, 1936	25,000,000	1,500,000	N.Y.
G.T.R.	4%	Jan. 1, 1962	8,440,848	337,633	Can., N.Y., Lon
C.N.(W.I.)S.	5%	Mar. 1, 1955	9,400,000	470,000	Can., N.Y., Lon
G.T.P.	3%	Jan. 1, 1962	34,992,000	1,049,760	Can., N.Y., Lon
Mtl. Har. Comm.	5%	Nov. 1, 1969	19,000,000	950,000	Can., N.Y., Lon
G.T.P. branch lines, Saskatchewan gtd.	4%	Jan. 22, 1939	9,874,062	394,962	Can., N.Y.

CORPORATION ISSUES EXEMPT FROM THE 5% DOMESTIC PREMIUM TAX AND 5% FOREIGN HOLDERS' TAX

Issue:	Rate	Maturity	Outstanding	Interest	Payable
Manitoba Power	5½%	Jan. 1, 1951	$10,000,000	$ 550,000	Can., N.Y.
Manitoba Power	5½%	July 1, 1952	2,500,000	137,500	Can., N.Y., Lon
Southern Can. Pwr.	5%	Oct. 1, 1955	6,807,525	340,376	Can., N.Y., Lon
Shawinigan W. & P.	4½%	Oct. 1, 1967	34,435,000	1,549,575	Can., N.Y., Lon
Shawinigan W. & P.	4½%	May 1, 1968	15,917,000	716,265	Can., N.Y., Lon
Shawinigan W. & P.	5%	Feb. 1, 1970	14,980,000	749,000	Can., N.Y., Lon
Shawinigan W. & P.	4½%	Oct. 1, 1970	19,012,000	855,540	Can., N.Y., Lon
Duke-Price Power	6%	May 1, 1966	36,095,000	2,165,700	Can., N.Y.
Montreal Tramways	5%	July 1, 1941	21,351,000	1,067,550	Can., N.Y., Lon
Montreal Tramways	5%	Apr. 1, 1955	24,714,700	1,235,735	Can., N.Y., Lon
Montreal Tramways	4½%	Apr. 1, 1955	2,443,100	109,940	Can., N.Y., Lon
United Securities Ltd.	5½%	May 1, 1952	4,965,000	273,075	Can., N.Y., Lon
Calgary Pwr. Corp.	5%	Apr. 1, 1960	10,000,000	500,000	Can., N.Y., Lon
Montreal Pub. Service	5%	Sept 1, 1942	2,968,000	148,400	
Penman's Limited	5½%	Nov. 1, 1951	1,863,000	102,465	Can., N.Y., Lon
Ottawa Val. Pwr. Co.	5½%	Oct. 1, 1970	9,000,000	495,000	Can., N.Y., Lon
Gatineau Pwr. Co.	5%	June 1, 1956	70,942,000	3,547,100	Can., N.Y.
Gatineau Pwr. Co.	6%	Apr. 1, 1941	7,500,000	450,000	Can., N.Y.
Gatineau Power	6%	June 15, 1941	11,148,000	668,580	Can., N.Y.
New Brunswick Pwr.	5%	Mar. 1, 1937	1,762,000	88,100	Can., N.Y.
Cedar Rapids Mfg. Co.	5%	Jan. 1, 1953	13,980,000	699,000	Can., N.Y., Lon
Prov. Light H. & P.	5%	Sept. 1, 1946	962,000	48,100	Can., N.Y., Lon
Alta. Pacific Grain	6%	June 1, 1946	2,987,500	179,250	Can., N.Y., Lon
Winnipeg Elec. Co.	6%	Oct. 2, 1954	7,000,000	420,000	Can., N.Y.
Richmond-Bay Bldg.	6½%	Dec. 1, 1947	829,000	53,885	Can., N.Y.
Pacific-Burt Co.	6½%	Oct. 1, 1937	157,000	10,205	

ISSUES EXEMPT FROM 5% FOREIGNHOLDERS' TAX

Issue:	Rate	Maturity	Outstanding	Interest	Payable
Dom. of Canada	4%	Oct. 1, 1933	$60,000,000	$2,400,000	N.Y.
Dom. of Canada	5½%	Nov. 1, 1933	169,971,850	9,348,451	Can.
Dom. of Canada	5½%	Dec. 1, 1937	236,299,800	12,996,489	Can., N.Y.
Dom. of Canada	5%	Aug. 1, 1935	874,000	43,700	Can., N.Y.
Dom. of Canada	4½%	Feb. 1, 1936	40,000,000	1,800,000	N.Y.
Dom. of Canada	5%	May 1, 1952	100,000,000	5,000,000	N.Y.
Dom. of Canada	4%	Oct. 1, 1960	100,000,000	4,000,000	N.Y.
Dom. of Canada	*4½%	Nov. 1, 1948	276,688,100	12,450,964	Can.

*Exempt only until November 1, 1933.

CORPORATION ISSUES EXEMPT FROM THE 5% FOREIGN HOLDERS' TAX

Company:	Rate	Maturity	Outstanding	Interest	Payable
Can. Light & Power	5%	July 1, 1949	$3,104,100	$155,205	Can., Lon.
Dom. Realty Corp.	5½%	1939-50	10,175,000	559,625	Can., N.Y., Lon.
Dom. Realty Corp.	6%	1933-40	1,722,000	103,820	Can., N.Y., Lon.
‡Pacific Coast Term.	7%	Aug. 1, 1948	300,000	21,000	Can.

‡Guaranteed by city of New Westminster.

KEEFER REALTY PLAN PROPOSES INCOME COUPONS

Bondholders Would Waive Past Default; Appoint Directors

Bondholders of Keefer Realty Corp. are asked to agree to a plan whereby interest payments due up to and including December 1, 1937, will be placed on an income basis and the company will be relieved of sinking fund payments. The company defaulted on interest due December 1, 1932, and bondholders are notified of a meeting to be held May 1 in Montreal to consider relieving the company of some of its immediate obligations.

Under the proposed plan it is provided that the 6½ per cent first mortgage sinking fund bondholders shall exchange interest coupons due from December 1, 1932, to December 1, 1936, inclusive, for 10 cumulative income coupons which shall be payable, when due, out of net income of the company remaining after deduction of fixed charges, operating expenses, depreciation and other charges deemed proper by the directors, and after payment of any other expenses or obligations which directors deem in the interest of the bondholders to pay. All provisions of the trust deal relating to sinking fund shall be deleted. Past default on the part of the company and possible future default in respect to sinking funds are to be waived.

Represented on Board

At the meeting of bondholders, three persons are to be designated as representatives of the bondholders on the board of directors of the company, thereby constituting a majority of the board. Bondholders are to nominate a majority of the board so long as any cumulative income coupons remain outstanding.

Gross revenue of the office building owned by Keefer Realty Corp. declined by some $70,000 during 1932, and gross revenue in 1933 is estimated at $100,000. The company is in arrears of several years' tax payments to the City of Montreal and unless these taxes are paid it is understood the city may take proceedings against the company. Net earnings for the next two years will be largely devoted to wiping out such arrears. Foreclosure of the property by bondholders is subject to high cost in the Province of Quebec and it is estimated that if foreclosure proceedings were taken the bondholders would not realize more than 25 cents to 30 cents on the dollar.

C. I. I. T. EARNED $3.29 PER SHARE ON PREFERRED

No Dividends Paid—Stock Now Has Voting Rights

From Our Own Correspondent

MONTREAL.—Gross income of Canadian International Investment Trust in the fiscal year ended February 28, 1933, amounted to $172,356 compared with $238,124 in the previous year. Expenses and bond interest needs were somewhat lower and net profit was $59,769 or the equivalent of $3.29 a share on the 5 per cent preferred stock. No dividends were paid during the year.

In 1931 net profit was $112,250 after provision for bond discount, and following payment of dividends of $3.75 a share on the preferred, surplus for the year was $43,258.

Following are details of profit and loss for the past two years ended February 28:

	1932 $	1931 $
Interest earned	82,619	100,793
Cash dividends	89,737	137,331
Gross income	172,356	238,124
Less: Gen. exp.	17,914	20,656
Net earnings	154,442	217,468
Less: Bond int.	94,673	101,146
Bond disc.	......	4,072
Net income	59,769	112,250
Less: Pfd. divds.	......	68,992
Surplus for year	59,769	43,258
Add: Prev. surp.	*100,289	*60,861
Balance forward	160,058	104,119

*Adjusted.

Investment Values Steady

Investments at cost are carried at $3,786,032 compared with $3,889,881 in the previous year. Market value was $2,286,900 against $2,657,465. During the year certain securities were sold and losses thus occasioned, the write-down in book value of certain investments, and bond discount, were charged to investment reserve which stood at $431,971 at the year end.

Cash and call loans totalled $44,195, down from $82,372 and unamortized bond discount and prepaid taxes were lower by $3,000 at $109,128.

In liabilities current accounts were $38,416. During the year there were redeemed $199,000 of 5 per cent bonds leaving $1,826,000 outstanding. Capital structure is unchanged. It is noted that preferred dividends are now 6¼ per cent in arrears and the preferred stock now carries voting rights.

Distribution of assets at the end of the year was as follows. (Previous year's comparisons in brackets): Cash and call loans, 2 per cent, (1.8 per cent); bonds and debentures, 45.7 per cent (33.8 per cent); preferred stock, 17.3 per cent (17.7 per cent); common stocks, 35 per cent (46.7 per cent).

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Corrugated Paper Box	Dec. 31	*17,416	*71,297	...	...	...	95,661	107,334	...	...	...
B C. Pulp & Paper	Dec. 31	*379,854	*171,588	...	...	...	†522,202	†142,348	...	...	...
Can. General Electric	Dec. 31	1,165,660	2,368,154	3.00	9.05	4	6,764,418	6,953,180	100	...	4
Can. Goodrich	Dec. 31	*34,946	*800,215	...	...	...	†1,829,856	†1,794,910	...	...	...
Can. Nat. (West Indies) Steamships	Dec. 31	*1,29[illegible]	*1,345,361	...	...	...	†5,118,927	†3,825,913	...	...	...
Can. Gov't. Merchant Marine	Dec. 31	*4,197,349	*5,404,415	...	...	...	†54,477,484	†61,051,562	...	...	...
Can. National Railways	Dec. 31	‡61,006,919	‡60,869,794	...	...	...	†763,765,142	†669,692,327	...	...	...
International Utilities	Dec. 31	*2,591,517	*4,030,673	...	...	...	3,381,690	1,502,861	6¼	...	...

*Loss. †Deficit. ‡Net dificit exclusive of interest on Government loans.

Canadian General Electric Earnings Down, Liquids Up

Earned $3 Per Share on Common and Paid $4 in Dividends — Drew One Per Cent from Large Accumulated Surplus—Working Capital Stronger Than Ever

As a result of the considerable reduction in sales coming from continued recession in general business, net earnings of Canadian General Electric Co. in 1932 were $2,086,466 before depreciation as compared with $3,176,444 in 1931. A larger depreciation provision of $920,806 in 1932 compares with $868,290 deducted for this purpose in 1931. Preferred dividends of $599,042 were earned nearly twice over and 188,845 common shares of $50 par value earned $3 a share as compared with $9.05 a share in 1931. The dividend of $4 a share continued to be paid, and it is to be noted that the company still shows accumulated surplus earnings of $6,764,418, down just the amount of the yearly deficit of $188,762.

Current assets were 6.5 times current liabilities as compared with 5.7 times in 1931 as a result of liquid assets going up while current liabilities went down.

Working Capital

	1932 $	1931 $
Current assets	18,429,566	18,358,588
Current liabilities	2,810,167	3,177,379
Working capital	15,619,399	15,181,209
Ratio	6.55—1	5.77—1

Has Strong Investment List

Investments in bonds were $9,208,192, cash and loans secured by collateral $4,880,871, inventories $3,732,564 and accounts and notes receivable $2,099,491. An amount of $1,491,551 is deducted in computing assets for advance payments on contracts. Government bonds are carried at cost or par value, whichever is lower, and all other securities were written down to the value shown at the end of 1932. Inventories were valued on the basis of cost or market value, whichever was lower and adequate reserves are maintained to provide for obsolescence and shrinkage in value.

The letter to shareholders, signed by A. E. Dyment, chairman of the board, and D. C. Durland, president, states that capital expenditures in 1932 were only $228,230 as compared with $1,389,637 in 1931. Large expenditures have been made in recent years in improving and modernizing the various plants, offices, warehouses and equipment with the result that all are now in excellent physical condition. Engineering activities were well maintained and advancement made in quality of products and methods of manufacture.

The Employees Savings and Investment plan, which has been of material benefit to employees during this difficult period, will be continued in 1933. The employees hold $1,213,000 or 14 per cent of preference stock under this plan.

Capital assets are shown at $17,096,246 against which there is a depreciation and general reserve of $12,383,720. Other investments than those shown in current assets are appraised at $4,088,617. The company has no funded debt, notes payable or any obligation bearing its endorsement outstanding.

CONSOLIDATED INCOME & SURPLUS ACCOUNT

	1932 $	1931 $
Net earnings	2,086,466	3,176,444
Less: Depreciation	920,806	868,290
Net profits	1,165,660	2,308,154
Less appropriations:		
Pref. dividend	599,042	599,043
Com. dividend	755,380	755,380
Surplus for year	*188,762	953,731
Add: Prev. surplus	6,953,180	5,999,449
Balance carr. for'd	6,764,418	6,953,180

*Deficit.

LIFT INJUNCTION AGAINST MEETING JACQUES CARTIER

Voting of Beauharnois Stock Can Now be Effected

From Our Own Correspondent

MONTREAL—Ruling that conditions on which Dr. McDougald tranferred his shares to M. W. Wilson have been fulfilled, Mr. Justice Surveyer of the Supreme Court has dismissed the injunction proceedings taken by Dr. McDougald, former senator and chairman of the Montreal Harbor Commission, to prevent Mr. Wilson from voting 30,000 shares of stock at a meeting of the Jacques Cartier Securities Ltd.

The Jacques Cartier Securities, is the holding company for a Beauharnois pool and the meeting was called for the purpose of surrendering for cancellation 80,000 shares of Beauharnois class "A" stock. It was explained during the hearing of the case that in order to accomplish this it would be necessary to surrender for cancellation an equal number of the securities company class "A" stock, and Dr. McDougald's 30,000 shares were to have been part of this block of 80,000

Conditions of Transfer

In his original petition, presented to Mr. Justice Curran in Practice Division, Dr. McDougald alleged that in 1931 he transferred the 30,000 shares to Mr. Wilson and gave him power of attorney over them. Two conditions were attached to the transfer; one, that the Federal Government should pass orders-in-council which would permit the Beauharnois development to proceed properly; second, that a board of directors satisfactory to the Government be appointed and take office in the Beauharnois Corporation. Dr. McDougald claimed these conditions had not been fulfilled and that, moreover, he had revoked his power of attorney.

Mr. Justice Curran issued an interim injunction to halt the company meeting called for the day following the presentation of the petition, and the case was later heard on its merits by Mr. Justice Surveyer, who has dismissed the petition and dissolved the interim injunction.

SUPERSILK HOSE EARNINGS LOWER

First Published Balance Sheet Shows Good Working Capital

Unit volume of sales of Supersilk Hosiery Mills Ltd. in 1932 is reported to have been approximately the same as in 1931 but owing to lower prices in effect net profits of the company were $35,000 as against $61,000 in 1931. Reduction in net profit is stated to be accounted for by increase in taxes and increased costs of raw silk due to the discount on the Canadian dollar. Among the unfavorable factors confronting the company in 1932 are included increased corporation tax and sales tax, discount on Canadian currency, lower sales prices of merchandise, due to competitive conditions within the industry and a general reduction in consumption.

The company does not issue an income and surplus account but surplus of the company remains practically unchanged at $74,179 after paying preferred dividends at the rate of 3½ per cent during the year. The balance sheet shows current assets of $239,039 and current liabilities of $18,858 giving a working capital of $220,181. The company has reduced current liabilities to $18,858 from $38,000 at the end of 1931 and has no bank loans.

Current assets consist of $10,727, in cash, $104,224 in accounts and bills receivable and $124,088 in inventories. Fixed assets of the company are valued at $295,764 after depreciation while goodwill, trade names and organization expenses are carried at $79,661.

Veraguas Mines Plans Building 25 Ton Mill

Veraguas Mines recently incorporated to further develop a gold property in Panama, is to have a 30-ton cyanide mill constructed this summer, according to F. M. Connell, president of the company.

The company took over a lease on the property early this year following an examination by John A. Reid. McVittie-Graham Mines has a 56 per cent interest in the company and is providing the principal finances, which are to be repaid out of profits.

ASSOC. BREW. PLANTS OPEN SOON IN U. S.

Plans to Fill Beer Demand from Canada in Meantime

From Our Own Correspondent

LETHBRIDGE. — In about 30 days Associated Breweries' new plant, in Great Falls, Montana, will be in operation, according to information reaching here from the Montana city. In the meantime, arrangements are being made to take care of beer demands following the ratification of beer legislation by the federal and state authorities. It is planned to move in a supply of beer from the east until the beer made in the Great Falls plant is ready for the market.

Associated Breweries, which some time ago purchased two idle Great Falls plants, has a large crew of men working on reconditioning the plants and installing additional brewing equipment. Bids will be opened shortly for the construction of a bottling plant in the building that will also house the general offices. It will require from 60 to 90 days after manufacture is started for the brew to age properly, but under the circumstances beer will likely be supplied the Montana territory earlier by the Canadian company through its U. S. subsidiary.

Awaiting Import Ruling

Provisions of the Montana State Beer Act, enacted by the recent state legislature, is based on population. Four retail licenses will be granted for the first 3,000 population, and one additional for every 4,000 population. Great Falls has a population of 30,000 hence it is expected that about 10 licenses will be issued. There are now 100 applications on file. The alcoholic content will be 3.2 per cent.

AMEND DUGAS BILL TO AID LANDLORD

Former Plan Regulating Installment Sales Dropped

From Our Own Correspondent

MONTREAL.—Installment sales in Quebec will be conducted as usual for various amendments have been made to the Dugas bill. Primarily, the original bill sought to exact a minimum payment of 10 per cent on luxury goods valued at less than $100 and purchased on the installment plan.

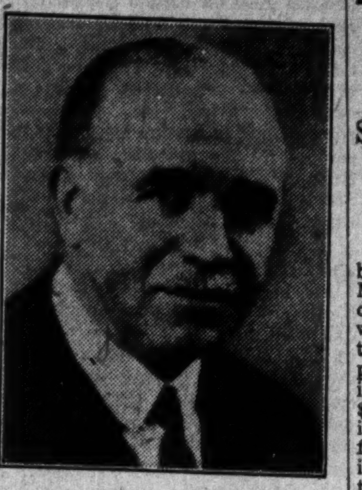
The new measure contains one of the suggestions incorporated in the Dugas bill but proposals to regulate initial payments have been dropped. As the bill now stands it grants protection to the landlord. Creditors of a defaulting installment buyer will be allowed to pay up the balance owing on the goods. This will make the goods the property of the purchaser and in that way will make the goods liable for seizure by the landlord or another creditor. Landlords' claims will rank first.

Concrete Example Given

An illustration of an example follows:

A, a tenant, buys a radio for $100 from B, and places it in the house of C, the landlord, where it is protected by the lien. When, say, there remains $10 to be paid, it is found that A has not paid his rent and not paid the installment on the radio so that under the contract, B may retake the article. The landlord hitherto could not seize the article, since it does not belong to his defaulting tenant, but with the change in law, the landlord can pay the $10 to B, and thereby make A the owner of the radio. Once it is the property of A, it can be seized in the ordinary way by the landlord, or by any other creditor, but, of course, the landlord, under existing law, has priority of claim.

Joins Nickel Board



ROBERT S. McLAUGHLIN
President of General Motors of Canada, who was elected director of International Nickel Co. of Canada at the annual meeting on March 28.

Pref. Dividends Reduced to 4 p.c. By Silverwood's

Silverwood's Dairies has reduced the annual rate on preferred shares from 7 to 4 per cent per annum with the declaration of a dividend of 1 per cent, payable April 3. This will make 6¼ per cent for the fiscal year ending April 1, 1933.

At the same meeting, the directors authorized the cancellation of $100,000 of preferred shares in the treasury, making $200,000 in all retired in the fiscal year. Preferred outstanding now totals $3,132,500. Purchases were made for the company as the shares were offered in the unlisted market through the year.

The uncertain immediate outlook for business is given as the reason for the reduction in the rate for the time being. The company will finish its year with an improved liquid position, owing partly to operating economies and partly to the elimination of dividends on junior securities.

Loblaw Profits Cover Dividends

With three more four-week periods yet to go before the end of current fiscal year, Loblaw Groceterias Co. had net profits of $660,504 at March 4. Dividend and bonus requirements of $845,966 would appear likely to be covered especially since the company brings in various profits on departments, and discounts earned in the final four-week period. Earnings will quite apparently be under those of the year ended May 31, 1932, when $1.23 was earned per share. Profits are now more than $100,000 under those of the same period last year.

Sales in the current year to March 4 are reported at $10,827,143 as against $11,650,522 in the previous year, a decrease of $823,379, or 7 per cent. Profits show a drop of 13.2 per cent in the same period. In the four weeks ended March 4 sales were $1,054,884, 8.5 per cent lower than in the same period of 1932 while profit at $62,488 was 11.1 per cent lower.

N. S. Lobster Trade Gains

The Province of Nova Scotia is the largest exporter of live lobsters in Canada and in 1932 its shipments were somewhat larger in the aggregate than in 1931, or 98,240 hundredweights as compared with 96,790.

MANITOBA WILL TAX COMMODITIES LEVY ON INCOMES

Seeks Balanced Budget by Imposing New Taxes — Surplus $9,631

From Our Own Correspondent

WINNIPEG.—A purely nominal balance has been achieved in Manitoba's budget, instead of the deficit of $2,500,000 for which it was announced at the beginning of the legislative session that the province would budget. But that is without taking into account $1,000,000 required as the province's share of relief expenditures, for which it can only be presumed, in the lack of announcement, that the province expects to have recourse to the Dominion Government. In addition the budget assumes that the province will be able to transfer to the Dominion Government $314,000, representing its 25 per cent share of old age pensions.

Actual cuts in expenditures represent $326,000. It is planned to cancel rebates of gasoline tax to farmers and to industries, at a saving of $150,000, to collect $900,000 by a tax of 1 per cent on all wages and salaries, to be deducted at the source, and on other income, in addition to the regular income tax, and to secure $1,000,000 by a tax of 1 per cent on the purchase of commodities. While details are not yet furnished, certain commodities including bread, milk, binder twine and farm machinery, and also gasoline and liquor, which are already taxed, are to be exempt.

Professional and other services are to be treated the same as commodities. The minimum tax of one cent is to apply on each dollar of each purchase made, making the percentage rate higher on small transactions. The calculation of $100,000,000 worth of business within the province which can be made subject to this tax is considered to be decidedly optimistic, and it is also thought that the yield of the wages tax may well fall short of the estimate.

The province's demands on the Dominion Government may thus be considerably more than for unemployment and for old age pensions, and the ability of the province to carry on without seeking an adjustment of interest rates from the holders of its securities is still open to question. Interest now absorbs $7,500,000 annually, or more than half the total revenue of the province, even allowing for the full estimated yield of the new taxes.

Would Reduce Debt

Mr. McPherson indicated that definite permanent improvement in provincial finances could only be attained by reducing debt and interest charges now being paid.

"This is not as simple a question as many people seem to consider it," the minister said, "and while legally the question of interest may be entirely within the power of the Dominion Government, any proposals to make adjustments on same should be through the co-operation of all the provinces with the Federal Government, and a course of action be laid out which would repay to those who have invested their money in public securities 100 cents on the dollar as far as the principal is concerned, but future rates of interest will have to be lowered."

C. S. L. Passes Interest On General Mortgage

From Our Own Correspondent

MONTREAL. — Official announcement is made by Canada Steamship Lines that the half-yearly interest on the $17,000,000 of 6 per cent. first and general mortgage bonds of the company, due April 1 next, will not be paid. Under the trust deed a period of 30 days of grace is provided in which the company may complete payment without going into legal default.

This action has been expected for several weeks past. It will be recalled that when announcing a special meeting of the holders of the 5 per cent bonds in order to pass a resolution deferring sinking fund payments on the senior issue, W. H. Coverdale, president, intimated that interest on the general mortgage bonds would not be paid.

Bond Tenders

April 3, Township of Langelier, Que.—$3,500, 6 per cent bonds, due serially from Nov. 1, 1933 to Nov. 1, 1947, for consolidation of debts, and improvement of roads. Capital and interest payable at Banque Can. Nationale, at Quebec, Montreal or La Tuque. J. D. Brassard, sec.-treas.

6 p.m., Mar. 31 Aurora, Ont.—$62,000 6 per cent 30-installment bonds. M. L. Andrews, clerk.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Can. West. Nat. Gas	5%	1936	June 15	105
Amer. Salesbook	†6%	1930	Apr. 1	103½
Nor. Mex. Pwr.	7%	1933	Apr. 1	105
Wabasso Cot.	*6%	1947	June 1	105

*$10,000 for sinking fund purposes.
† Called in part.

THE PRUDENTIAL ASSURANCE COMPANY LIMITED OF LONDON ENGLAND
LIFE FIRE CASUALTY
Total Assets of all Branches Exceed - - 1283 Million Dollars
Claims Paid Exceed - - - - - - - 1960 Million Dollars
HEAD OFFICE FOR CANADA DOMINION SQUARE BUILDING MONTREAL
The Largest Insurance Organization in the British Empire
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Canadian Pandora Gold Mines Limited

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(One Dollar Par Value)
2,500,000 Class A Treasury
2,500,000 Class B

"Certainly among the most promising of the properties now undergoing development should be placed that of the Canadian Pandora Gold Mines, Limited. Its property is situated in the Province of Quebec and consists of thirty claims having an area of 1,200 acres in the Township of Cadillac, within easy reach of the Canadian National Railway.

"After making a careful survey of the whole situation, considering in the most conservative manner, the situation of the property on a rich gold-bearing zone, the success of other mines similarly located, the encouraging results shown by diamond drilling and other exploring operations* and the character of the managing board, there seems to be every foundation for a confident belief that, in the near future, Pandora will be included among the big gold producers of the century."
—*Canadian Banker and Manufacturer.*

*Commercial ore has now been obtained over a considerable length on the 250 ft. level.

C. B. Stevenson ..... *President*
J. W. Brown ... *Vice-President* L. R. Hume .... *Director*
M. Donoghue ... *Sec.-Treasurer* Martin Meers .... *Director*

Head Office, New Liskeard, Ont.

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TORONTO, APRIL 1, 1933

DISCOURAGING FOREIGN CAPITAL

THE proposal to impose a tax of five per cent, at the source, on all interest or dividends paid by Canadian debtors to non-residents of Canada is, in effect, a nuisance tax on foreign capital; an irritant that, over a period, may cost Canadian borrowers far more than the few million dollars that the Federal Government will receive. The tax has had already an adverse effect in both London and New York at a time when every effort should be made to strengthen the nation's credit in the financial centres of the world.

Foreign holders of Canadian securities may be influenced by this tax to sell their Canadian investments. Such liquidation would in all probability be slow and not immediately evident but the tendency would be to hold Canadian bond prices down. The new tax is also an a[illegible]ied resistance to sales of new issues abroad and when a foreign market does open up for new issues, the Federal Government, provinces and municipal borrowers will absorb the tax in the lower prices at which their bonds must be sold. The increased cost of new financing may well exceed the proceeds of the tax received by the Dominion Government. Canadian borrowers are as yet too dependent upon foreign capital to take any steps that may tend to make any of our securities less attractive to investors abroad.

It is not to the point to indicate that other countries have such a tax. The fact is that Canada is a debtor country and can not adopt the policies of creditor countries.

NOW ENJOY BENEFITS FROM CONFERENCE

EVIDENCE continues to accumulate that the Imperial Conference agreements were definitely favorable to an increase in trade within the British Empire. So far as Canada is concerned, we have very materially increased our exports to British countries at a time when our exports to other countries have been diminishing rapidly. While our imports from the United Kingdom and the rest of the British Empire have not increased in the same proportion, we have nevertheless given a relatively larger share of our total purchases to British countries.

The facts cited by Hon. H. H. Stevens, Minister of Trade and Commerce, in his address to Toronto, the figures given by Hon. E. N. Rhodes, Minister of Finance, in his budget speech, and the evidence compiled by the Canadian Manufacturers' Association are all a splendid commentary upon the good work that was done at Ottawa.

The theory presented by some people last fall that the Imperial Conference agreements represented further barriers to international trade does not stand up under the weight of the evidence now available after several months of operation of the agreements.

The Ottawa Conference made a useful contribution to tariff reductions and this is why Empire trade is today increasing while world trade is declining.

OTTAWA SHOULD GUARD USE OF ITS MONEY

ADVICES from Ottawa are to the effect that the Dominion Government intends to insist upon more frugal financial administration of their affairs by the four western provinces that have for three years camped on the doorstep of the federal treasury begging for loans.

The present total of these loans to the four western provinces is over $38,000,000. In addition, the Dominion Government has guaranteed the savings deposits of the Province of Manitoba Savings Office.

The original purpose of the loans was to enable the western provinces to finance their share of relief expenditures but apparently the loans have been broadened to cover purely provincial activities. The Financial Post has already pointed out that the Dominion Government, in making these loans, has taken the attitude that it had no right to dictate how the money should be spent or in any way to interfere with the domestic affairs of the provinces. Such a position is, of course, untenable in justice to the citizens of the Dominion as a whole. If the Dominion Government is to finance the provinces it should take steps to see that the money advanced is economically spent and that the credit of the provinces upon which the ultimate return of the money is predicated, is not shaken by continued extravagance.

The suggestion of The Financial Post that the Dominion should interfere in the financial affairs of the borrowing provinces to the extent of seeing that they do not waste Dominion money is apparently to be taken by Ottawa.

It is too early yet to express any opinion as to whether or not all this $38,000,000—and the millions more that will still have to be advanced—will be returned to the federal treasury. But in the meantime, if the Dominion Government can enforce any more economical expenditure of these funds in the four provinces they will win the gratitude not only of the citizens of the Dominion as a whole but of the citizens of the four provinces in question.

DIRTY LINEN

WASHINGTON seems determined upon hanging Wall Street's dirty linen on the line. The dissolution of the old Senate ended the investigations that brought about the resignation of Charles E. Mitchell from the National City Bank and the separation of the two largest security underwriting and selling affiliates in Wall Street from their parent banks. But the new Senate will take up the task of probing more deeply into the investment banking, stock broking, and banking business of the United States in the boom days and it is likely also that the Attorney-General of the United States will be forced by public opinion to take action against the chief offenders.

There has not been a great deal of open-air washing of dirty linen in Canada during this time of crisis, the trials of the mining brokers and the House of Commons investigation of the Beauharnois financing being the chief examples of financial exposés in Canada. On the whole, certain Canadian financiers have been exceedingly fortunate in being able to wear the sack cloth and ashes of their penitence in the privacy of their own deflated offices.

Canadian investors will observe with the keenest of interest the investigations and actions that are forecast in the United States because they will throw some light upon questionable methods of finance that have their counterpart to some extent in Canada. And the questionable methods embrace a field much wider than mere criminality and dishonesty. More money was lost in the last boom through sheer stupidity, crass cupidity, and impatient hysteria than through dishonesty and fraud. Legislation can not be passed to make all financiers either honest or capable; nor can legislation be passed that will make all investors good investors. Laws can merely restrain abuses and attempt to place barriers which people must hurdle in their pursuit of folly.

The investigations in Washington may throw some light upon the type of legislation that is of help in protecting the investor and the public from financial exploitation but their chief value will be in throwing the bright light of publicity upon certain types of operation, thus restraining those who would follow in similar paths and warning the public to be on the lookout.

In Canada, the last few years have emphasized the value of character and experience in finance. Where absolute honesty of purpose and a background of tempering experience have been combined in men who have directed financial operations the investors have usually got a square deal. But unscrupulous older men and ambitious but unschooled younger men, combined to lose the public's money and in most cases their own as well.

INFLATION OR WHAT?

WORLD economists are now busy trying to determine if the issuance of new currency in the United States represents inflation or is not simply a form of deflation. The argument indicates the confusion that pervades all economic thinking today and it makes the wise man hesitant about taking any economist's view as final.

Under the Roosevelt emergency banking plan, only the well-secured deposits of the banks are released and those that are backed by frozen assets are indefinitely tied up and will be deflated through a process of liquidation that will eventually cause the depositors to bear a large part of the burden of the losses of the banks. If one views savings deposits as cash and if one views the high velocity checking operations against them as money then the writing down of the savings deposits represents credit deflation on a very large scale.

On the other hand, the United States is issuing a new volume of currency not only to replace currency that has gone into hoarding but to replace to some extent the deposit and cheque money that is not now available. But at what point does this printing of new money become inflation? There seems to be little misgiving abroad as to the value of the money of the new currency, which is based on sound values being an asset currency as is Canada's. As the United States has determined to balance its budget and will not print money to pay the expenses of the government, the new currency has something behind it.

And it should be noted that up to the present the new money has been scarcely used. The mere fact of its being in existence as a reserve has brought back hundreds of millions of the old currency.

Sage observers point out that monetary units are being cheapened the world over. So long as the process goes on behind the leadership of the three or four leading countries' creditor countries, it can do no harm and may do a great deal of good by stimulating a rise in commodity prices. In fact, a 25 per cent rise in commodity prices is said to be the objective of Great Britain, France, and the United States.

PRAISE FOR BANKS

PROFESSOR LEWIS HANEY, of the Department of Economics of New York University, who writes a daily column for the Hearst papers in the United States backs President Roosevelt in his policy of cleaning house in the United States banking system and refusing further to use the credit of the government to stave off inevitable deflation.

The professor quotes from The Financial Post our statement that the policy of Canadian banks in liquidating speculative loans and in enforcing reduction of borrowings since 1928 has given us in easy stages the adjustment of values that the United States has deferred and will now have to take in one large and unpleasant dose. Says the professor:

"This is the plain truth, and the moral is that unless we quit extending government credit and loading up the banks with it, or unless we strengthen government credit by reducing expenditures and increasing revenues, the unpleasant dose now being taken will not cure us."

Canadian banks have pursued an unpopular policy in reducing their loans since the end of 1929 but they have saved Canada from a banking moratorium by their conservative and sound banking judgment.

CANNOT AFFORD STERLING TIE

CANADA'S refusal to be enticed into the alluring scheme for a sterling bloc of countries is based upon a sound regard for national interests.

In his budget speech, the Minister of Finance pointed out that the Canadian dollar has been allowed to find its own level and has been fluctuating about half way between the United States dollar and the English pound, which represents a not unsatisfactory compromise between a tie-up with sterling and our intimate financial relations with the United States.

This is the best policy for Canada to continue to follow. We are too closely allied with American finance to involve ourselves in a currency tied rigidly to the British pound.

If we keep our dollar sound, if we maintain our national credit, the dollar will find its own best level and in doing so it will render the greatest good to the greatest number.

NO FORCED CONVERSION

THE opinion of The Financial Post that there should be no forced conversion loan in Canada has been confirmed by the Minister of Finance who, in his budget speech, states that any conversion loan offered to the public of this country will be on a basis that will keep faith with investors and will not in any sense involve repudiation of existing contracts.

Our national credit demands that we keep faith with investors. If the Government will put its financial house in order, there will be plenty of money available at low rates of interest. Over a term of years our Government debt interest can be drastically reduced by refunding operations that need in no sense to confiscate the principal or income of those who have lent their money in good faith to the people of Canada.

TO AVERT A CRISIS

IN HIS budget speech, the Minister of Finance said that the United States was perhaps the last important country to feel the full force of the financial storm.

Mr. Rhodes might have added "so far."

Is it not possible that as a result of our failure to deal adequately with our Dominion finances that Canada may yet feel "the full force of the financial storm"?

Mr. Rhodes makes the illuminating comment that events that may seem well nigh disastrous in themselves may nevertheless be necessary to effect some of the radical changes in public attitude and in national policies which will make possible a fundamental and permanent solution of the difficulties which beset the world.

That may indeed be the case in Canada. A financial crisis, borne of our improvident federal finance, might mark a fundamental change for the better in the Canadian position. But it is unfortunate that the Government should court such a financial crisis instead of adopting policies that would avert it, policies that would have to be adopted in any event to cure it.

EDITORIAL NOTES

A reader calls our attention to the fact that the Gaelic word for silver is the same as the Gaelic word for money and that there is another word for gold. If the reader intended this as an argument for bimetallism it leaves us unconvinced. We seem to recall that at high school we were told that in ancient Rome the words for cattle and money were the same.

* * *

An editorial on this page last week referred to the splendid "Back-to-the-Land" movement sponsored so successfully by the Hon. Wesley A. Gordon, minister of immigration, and the two railways. One line of type mentioning the work of the C. P. R. was dropped out and the editorial made it appear that the C. N. R. only had co-operated in the work. Cabinet ministers and railways come in for so little praise these days, we hasten to correct this error and give the C. P. R. the credit to which it is entitled.

POST-scripts

THE first photograph of the California earthquake reached New York 90 minutes after the first tremor was felt.

Certain New York papers did not even mention the earthquakes on their front pages.

The chief editorial writer of the Hearst newspapers remarked that the earthquake had been exaggerated; that it was just a few quivers of the earth and would probably add to California's attractions as a resort.

Mr. Hearst is, of course, one of California's biggest real estate holders.

Marvellous and incomprehensible at once are the ways of the American press.

CHARTERS of incorporation are generally dull affairs but now and again a company is formed whose letters patent fire the imagination. A recently organized corporation has been granted permission to carry on the business of a hippodrome, circus, racecourse and performances of all kinds and it may also provide and engage actors, dancers, singers, acrobats, athletes and musical artists. Further it may prepare lands for the running of automobile, motor-cycle, airplane and other classes of races and for the drilling and reviewing of troops and pageants. For such a magnificent display it may construct grand or other stands; possibly the last named is the legal term for bleachers. Curiously enough this same company is allowed to construct roads, bridges, reservoirs, watercourses and similar conveniences while a mysterious note is injected through permission to acquire any secret or other information as to invention, formula or recipe which may benefit the company. What a wealth of entertainment is conjured up in the imagination! In the meantime the company's chief activity is operating a professional baseball club.

THIRTY years ago the automobile was emerging from the experimental stage, says the current issue of the National Revenue Review. Newspaper automobile advertisements of that day present striking contrasts with those of 1933, despite the fact that nearly thirty years ago an official Year Book printed the statement that "it is generally assumed that the limits of automotive development have been reached." One advertiser in 1903 boldly announced that vibration had been eliminated, the inference being that two riders could conduct a conversation if using the maximum expenditure of vocal energy. A vehicle, about this time, was advertised as the "Boss of the Road," the manufacturers announcing that in this car they had overcome all drawbacks such as jolt, common to other auto carriages.

Another advertisement of a well-known make read "Nothing to watch but the road." and its economical advantage over the horse was emphasized as follows: "It does the work of six horses at an average cost for gasoline of $35 a year. Board for one horse costs $180 a year." A satisfied owner of a medium-priced car wrote the manufacturers in 1909, "it has carried us 8,063 miles so far, and barring punctures nothing ever happened to cause a moment's delay on the road." As an aftermath, the customer declared that the car was still in good shape.

In this age of speed, automobile manufacturers compare their products to something fleet and graceful, but one well-known manufacturer in 1909 drew a comparison between his new output and the Boston Opera House which had just been completed. The advertisement announced that the playhouse was no more replete in elegance, comfort, beauty and stability than this new enclosed car.

Automobile builders in those days claimed that four cylinders were unnecessary as well as expensive. In spite of this at least one large firm manufactured them, declaring they started three years ago with a 4-cylinder, air-cooled car and had never made anything else. In addition to this multiplicity of cylinders a strong advertising point thirty years ago was all-year-round service, and next to the claim of durability great stress was placed on the fact that a jack and full set of tools was furnished in addition to the horn, gas lamps and magneto.

As Others See Us

Consistent

The St. Catharines Standard.—The Financial Post is consistent. It continues its campaign for the use of the axe rather than the paring knife on all governmental expenditures.

Other Peoples' Views

The Best Solution

La Presse: It cannot be repeated too frequently that a sound policy of urging the back to the land movement at this time constitutes one of the best remedies to the present crisis of unemployment. Horse sense makes it really understood that an unemployed man placed on a farm in colonization centres is one mouth less to be fed at the expense of the state. Had we adopted the system of placing the jobless on these lands right at the outset of the crisis, we probably would not now be suffering so acutely. However, it is not too late, providing that everybody concerned shows goodwill and gives the enterprise their moral support, and, where possible, their financial backing.

Borrowing

Regina Leader-Post: The argument is made that the load of debt incurred in Western Canada, and no doubt elsewhere as well, has become an impossible burden.

Does this not suggest—if the statements are true—that there has been too much borrowing, too much living on the future?

There is no mystery about interest. All who borrowed, especially public bodies, knew what the cost was going to be; they borrowed with their eyes open.

The only conclusion is that they borrowed too much and too easily.

The moral would appear to be that there should be less hurry to buy or build until the cash to pay is available.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

BRITAIN AND GOLD

TENTATIVELY the date of the World Economic Conference has been set for June. But prior to the conference important announcements will be forthcoming from different countries and if they are not announcements they will be statements that can be given rather practical interpretation.

President Roosevelt's plan of dealing with the problem of the war debt is said to be to get a statement of policies from Congress and then to negotiate a moratorium of the next two debt payments. This would defer final settlement until after the World Economic Conference.

At the same time Great Britain is said to be planning an early return to the gold standard. Britain's former insistence upon remaining free from the entanglement of gold was based largely upon the unfriendly policy of France and the misuse of gold by the United States. The developments in the United States have removed some of the American menace to the British gold standard and the recent conversation between the French Minister of Finance, Bonnet, and the British Chancellor of the Exchequer, Chamberlain, effected some understanding on economic and financial policies.

If assured of economic co-operation from France and the United States, Britain is prepared to return to gold. The rate at which it is suggested the gold content of the pound would be fixed in the future would be approximately $3.40.

In the meantime, London is expected to use its recently acquired gold as the basis of a credit expansion, the objective being to raise commodity prices by about 25 per cent through financial manipulation.

DISARMAMENT

WE ARE at 11.55 p.m. on the disarmament clock, in the opinion of some close observers of European and world diplomacy. During the precious minutes which are left, the world may avoid a disarmament midnight which might forerun the dawn of an international race for arms. Such a dawn might lead to a day of war more dangerous to our fragile civilization than the 1914-1918 cataclysm. It is in an attempt to make the most of the precious remaining minutes that Ramsay MacDonald and Sir John Simon have been dashing around Europe consulting with the great powers.

We in Canada and North America perhaps do not realize the dangers of the world's situation. They should not be underestimated. Merely because we are not part of the continent of Europe does not absolve us from enormous economic losses in the event of enlarged expenditures for arms in Europe or in the event of war.

Canada can play an important part in aiding disarmament by using her domestic and foreign influence. Canada and the United States have already set an example in boundaryline disarmament for the world. The United States can exert perhaps the most potent influence of all nations in strengthening the world peace.

* * *

A VIEW of the disarmament problem, through the eyes of one particularly seasoned observer, has been obtained for this column. It is as follows:

"The two focal points of the world danger of armament at present are France and Germany. France wants security against attack. Germany has, in the past, offered to aid world disarmament. Her disarmament proposal, made by former chancellor Bruening, was not accepted. Ever since Versailles Germany has been refused equality of status with other leading European powers. This has been the most important contributing factor to present armament unrest. It is not yet too late to concede something to Germany; to allow her some armament privileges and to reduce armaments of France, Great Britain, Italy and others. Unless this is done, Germany may arm herself, regardless of Versailles. Present economic pressure forestalls the possibility, but this is only a temporary influence.

"It has been suggested that a policy of conference between great powers in settlement of international disputes be followed. This would entail agreement between France, Germany, Italy, the United States and Great Britain to confer in the event of international trouble. This group, or four of the five powers, could cut off economic relationships with any offending power in the world, paralyzing its commerce and finance. The difficulty would be to get the United States to make such an agreement. The U. S. senate is the chief obstacle. A declaration of willingness to co-operate in this manner from the president might be valuable, and would probably be possible without bringing the question into the senate. But a mere declaration might not satisfy France in her desire for security. She would want something more concrete.

* * *

THE value of this policy of economic divorcement might have been effective in preventing Japanese aggression in Manchuria and Jehol. It is thought that Japan gambled on the United States and other powers failing to co-operate effectively against her. Had Japan been divorced economically by the five great powers, her finances might have been brought to ruin and her Chinese campaign stopped.

"The recognition of the importance of allowing Germany to level up somewhat, while other great powers are asked to level down, is seen in the British plan recently proposed at Geneva by Ramsay MacDonald. It would let Germany double her army, but would require it to consist of men with only eight months' training instead of long term troops as at present. France is called on to sacrifice numbers. Before conceding this, France will probably want some concrete guarantee of security. It would be a noteworthy achievement if France and Italy could be brought to sign the London naval treaty as applying to light cruisers and submarines. They have signed the heavy cruiser limitation, but have been competing in building light warships and submarines. If mobile six-inch guns could be abolished, it would be a tremendous step toward preventing any power from making a sudden attack. The proposal to equalize aircraft at 500 each for Great Britain, the United States, France, Japan and Italy appears to favor Britain since she had the most efficient planes. But the proposal to limit laden weight to three tons offsets this. Some authorities feel that Great Britain should show more willingness to eliminate tanks, for which she has been an outstanding proponent.

* * *

ONE of the little understood threats to world peace today is the vested interest in arms manufacture. As long as it is profitable to such interests to manufacture arms, there will be a tendency for them to encourage conditions which might cause war. A ghastly business, but none the less a fact. Nations allowing vested interests to make arms for profit, includifig Great Britain and the United States, do so for two reasons. First, there is the influence of the vested interests concerned in the trade. Second, the existence of such vested interests gives the nation concerned a potential source of supply. The advantage is that it costs the nation nothing because the manufacturers are operating at a profit in selling to warring nations abroad. British arms manufacturers, for instance, are making a profit out of the China-Japan and Bolivia-Paraguay conflicts. This is a travesty on our civilization.

"The part which should be played by influential men at present is to exert every pressure for disarmament.

"Ramsay MacDonald may become the man of the hour. The United States senate perhaps does not realize the important rôle it could take. Just because the world has been sitting on a safety valve for a long time does not guarantee that an explosion cannot take place. It may."

"Stop Me If You Have Heard This One"

In a small town in the South there was a lad who had the reputation of not being very bright. People there had fun with him several times a day by placing a dime and a nickel on the open palm of his hand and telling him to take his pick of the two. In each case the lad would pick the nickel, and then the crowd would laugh and guffaw.

A kind hearted woman asked him one day "Don't you know the difference between a dime and a nickel? Don't you know the dime, though smaller, is worth more?"

"Sure I know it," he answered, "but they wouldn't try me out on it any more if I ever took the dime."

For the Business Man

The man who is meeting the demands of today in his business affairs has little time for the management of his personal investments, though they may require more care than ever before.

The experience of over 40 years in the investment field is available to our clients. Recommendations for investment of spare funds or for changes in your present holdings will be made on request.

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The rates of interest prevailing in Canada today are a good deal higher than those existing in other leading countries of the world. It is essential for Canada to have lower interest rates. This means higher bond prices. Inquire for our offerings of Canadian Government and Municipal Bonds. Write or telephone Elgin 0161.

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53 Park Place New York

Would You Be Satisfied with a 50% increase?

Properly applied, "Cellophane" has, in actual cases, increased sales from 50% to 300%. Surely here is a sales promotion weapon worthy of consideration.

Twenty-five independent trained investigators recently carried out a nation-wide survey on "Cellophane" amongst hundreds of typical Canadian citizens. In the questionnaire the word "Cellophane" was not used at any time. The survey covered five of the largest cities in Canada, twenty representative small towns (several in each province), and rural residents adjacent to those towns. *Analysis of replies revealed that 93% of those interviewed in this cross section of the consuming public preferred goods wrapped in "Cellophane."*

Are you taking advantage to the fullest extent of this instinctive and definitely expressed preference for Cellophane-wrapped merchandise?

Learn about the possible application of "Cellophane" to your sales problem. Write to our Package Development Service, Cellophane Division, Canadian Industries Limited, Montreal. Better still, send a few samples of your product to our distributors, Messrs. Wm. B. Stewart & Sons Ltd., Toronto or Montreal, for a trial wrapping, at no obligation to you. They will be returned with complete details, for your study and consideration.

CANADIAN INDUSTRIES LIMITED C-I-L

Cellophane
TRADE MARK

CANADIAN INDUSTRIES LIMITED

"Cellophane" is the registered trade mark designating cellulose sheets and films, manufactured in Canada under special arrangements with the duPont Cellophane Co., Inc.

The Week in Business

Customs Tariff Change Protested by Importers

REVISION of the Customs Tariff in order to assess for dumping duty all goods which have entered Canada from Great Britain since that country went off the gold standard and which have been paid for at $4.40, thus avoiding the payment of this duty under the old regulations, strikes a hard blow at Canadian subsidiaries of British manufacturers which have resorted to this method of evasion of the duty for the past eighteen months. The order-in-council making this change effective and retroactive is being challenged by importers but no decision has yet been reached.

Importers told a representative of The Financial Post that the retroactive clause in the regulation will mean a great deal of hardship to them. They state that the goods which they have imported since the dumping duty came into effect have all been sold on the basis of the remittance at $4.40 to the parent company and that nothing can now be done to pass on the loss, that will have to be taken under the new regulation, to the purchaser. Whether the British manufacturers will stand behind their agencies and return the extra proceeds received or not has not yet been determined but in any case the change in the regulations will have a disturbing effect on the trade.

* * *

Confectioners Fight 2-cent Sugar Tax

LITTLE enthusiasm has been evidenced by business in the budget brought down in Dominion Parliament last week, now that sufficient time has elapsed for the ingredients to be thoroughly digested. With the exception of the confectionery and wine industries which are strongly opposing the sugar tax, the individual taxes have caused little comment, but there appears to be general disappointment that the government has not cut expenses more violently.

Confectionery manufacturers, through their national association, are approaching the government with a proposal to have the 2 cents a pound tax lifted as far as sugar used in industry is concerned. Candy manufacturers state that they cannot raise their prices from the standard 5 cents and it does not seem possible for them to absorb the additional cost. No action has yet been decided upon should no relief from the taxation be available, but it is expected that some reduction in size of the present 5 cent bars will be put into effect.

* * *

Commodity Markets Continue Strong

THOSE February statistics, not available last week when The Financial Post index of business was calculated in its preliminary form, have improved the position somewhat. Electric power output was higher than in the previous month while coal production also increased against the usual seasonal trend. The final figure for February, however, indicates a very low ebb for business and, although some factors, such as prices, have improved since that time no definite improvement in business operations is yet in evidence.

Strength in the commodity price markets continues and makes a bright spot in the picture, this being particularly true as far as farm prices is concerned although wheat has lost virtually all its post-crisis gain. Spring activity is seen in the boot and shoe and textile industries but these are about the only two lines in Canada which are operating close to full time. According to a correspondent of Dun & Bradstreet, Inc., although shoe factories are busy, production this year will be somewhat behind the figures reached in the spring of 1932.

* * *

Week's Carloading Makes Nice Advance

CAR loadings showed a welcome increase in the week ended March 18 under the influence of increased loadings in the western division. The corrected index for the western division rose from 65.81 to a high for the year of 71.93 on higher loadings of wheat, coal and general merchandise. While there was an increase of 423 cars in the loadings in the eastern division compared with the previous week this was slightly less than the usual seasonal advance and the index dropped from 54.73 to 54.37. For the fourth consecutive week, however, the index for miscellaneous freight increased.

Higher prices apparently brought out some volume of wheat and wheat stocks in elevators increased slightly over the previous week's figure. Exports continue to run ahead of last year the latest figures, those for the 33 weeks ended March 17, showing exports of 158,785,477 bu. compared with 97,599,363 bu. in the same period of 1932.

Business Conditions in Canada

ELECTRIC POWER AND COAL OUTPUT GAIN IN FEBRUARY

Revised Business Index for Month Higher as a Result

The Financial Post index of business operations in its final form was 71.0 in February. This compared with 70.4 the preliminary index for February, and 73.6 the final for January.

Of the six factors unavailable at the time of computing the preliminary index, four showed gains and two were in the red.

The output of coal was 1,036,400 tons compared with 1,023,000 in January. Production is normally much less in February and the adjusted index for coal production consequently showed considerable gain. A moderate gain was shown in the manufacture of tires in the last month for which statistics are available. The gain in the output of electric power on an average daily basis was substantial, increases being shown in Ontario and British Columbia. The total generated by water power was 45,468,000 kw.h. per day compared with 44,075,000 in January.

Employment Down

The index of employment in retail and wholesale trade was 107.3 on March 1 compared with 109.4 on February 1. After adjustment for seasonal tendencies the indexes became 110.9 on March 1 compared with 111.5.

The gain in the general index for employment was less than normal for the season. The index was 76.9 compared with 76.8. After adjustment the decline was limited to 0.3 points.

Financial transfers in the form of bank debits showed after seasonal adjustment a gain of 6 per cent, the gain in Ontario being the determining factor.

Business Briefs

Fixed Value of the pound sterling for special duty purposes has been set at $4.25, effective March 22 and until further notice. The former rate was $4.40.

Car Loadings for the week ended March 18 increased to 35,886 cars from 34,371 cars for the previous week and the index rose from 58.40 to 60.06. Heavy loadings of grain, coal and merchandise in the western division were chiefly responsible.

Cattle Exports to Great Britain in the first two months of 1933 numbered 3,985 compared with nil in the same two months of 1932.

Apples Exported to Great Britain in the first two months of 1933 amounted to 598,588 cwt. compared with 265,508 cwt. a year ago. This increase in export places Canada as the leading supplier of Britain for this commodity, United States exports having dropped to 397,488 cwt. from 921,880 cwt. in the same period.

Wheat Stocks in the week ended March 17 increased slightly from the previous week to 224,329,558 bu. At the same time in 1932 stocks amounted to 186,709,074 bu.

Wheat Exports in the week ended March 17 amounted to 2,855,231 bu. compared with 2,218,542 bu. in the same week of 1932.

Failures under the Bankruptcy Act for the week ended March 18 numbered 36 compared with 31 in the same week a year ago. For the period of 1933 to March 18 failures numbered 445, a decrease of 55 or 11 per cent from the same period of 1932.

Prairie Provinces Alone Hold January Level

Other Economic Areas Make Weak Showing in February, According to The Financial Post Business Indices

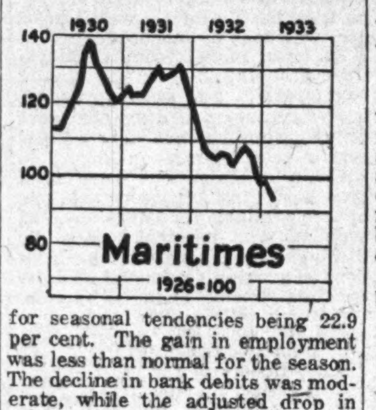
By SYDNEY B. SMITH

The Financial Post indexes of business in the five economic areas reflect the quiet conditions prevailing during mid-winter. Producers in Canada are faced with the double handicap of exceedingly low demand and a low and declining price level. Many plants are entirely closed and the most of the remainder are operating below capacity. When it is once realized that prices have reached their minimum and that the next movement will consequently be in an upward direction, the whole outlook will be altered.

British Columbia and the Maritime Provinces made the least favorable showing in February from the preceding month. The indexes of Quebec and Ontario showed declines of 3 and 4 per cent, respectively, while the index of the Prairie Provinces was not far from maintained.

Maritimes Quiet

The Maritime Provinces experienced a quiet mid-winter season. The output of electricity generated by water power was 33,143,000 kw.h. compared with 44,535,000 kw.h., the decline after adjustment for the length of the month and for seasonal tendencies being 22.9 per cent. The gain in employment was less than normal for the season. The decline in bank debits was moderate, while the adjusted drop in sales of life insurance was 7.6 per cent.

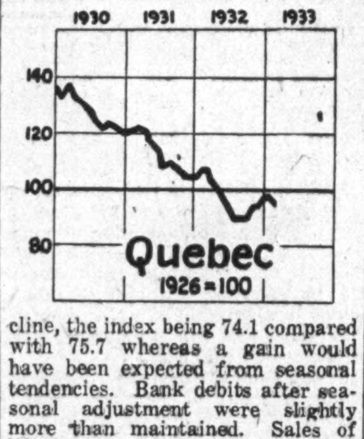


Exports of Canadian produce from Maritime Province ports were valued at $9,560,000 compared with $12,270,000 in January. The decline in imports was less than normal for the season.

The business index for the Maritime Provinces was 94.3 in February compared with 98.5, a decline of 4.3.

Quebec Unfavorable

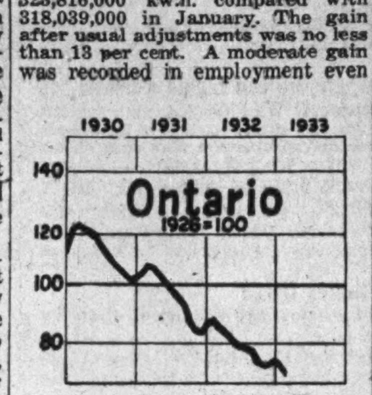
The statistics relating to Quebec were less favorable in February than usual. The index of electric power production dropped from 192.0 in January to 188.9 in the month under review, the gain in the crude figures being less than normal for the season. Employment as of March 1 showed a decline, the index being 74.1 compared with 75.7 whereas a gain would have been expected from seasonal tendencies. Bank debits after seasonal adjustment were slightly more than maintained. Sales of life insurance were at a considerably lower level. The boot and shoe industry was more active in the latest month for which statistics are available. Imports of cotton for further manufacture showed a decline in February. Despite the increase in the average premium in New York funds, newsprint was produced in lesser volume.



The business index of Quebec was 96.2 compared with 98.1, a decline of 3 per cent.

Improvement in Ontario

The situation was mixed in Ontario, a better showing being made in some important lines. A gain was made in the output of electric power. The total production was 323,816,000 kw.h. compared with 318,039,000 in January. The gain after usual adjustments was no less than 13 per cent. A moderate gain was recorded in employment even after seasonal adjustment. Bank debits showed a gain of 11.5 per cent while sales of insurance were down. The slaughtering and meat packing industry showed a gain in activity after seasonal adjustment. Declines were pronounced in the construction, primary iron and steel and automobile industries.

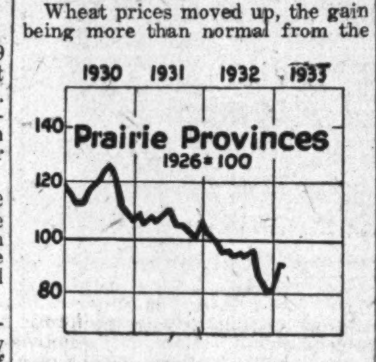


The business index for Ontario was 70.0 compared with 73.0 in January.

Best Showing by Prairies

The comparison with January was more favorable in the Prairie Provinces than in the other economic areas. Employment showed a gain after seasonal adjustment while electric power output showed a moderate decline. The decline in bank debits was severe and sales of insurance recorded a decrease.

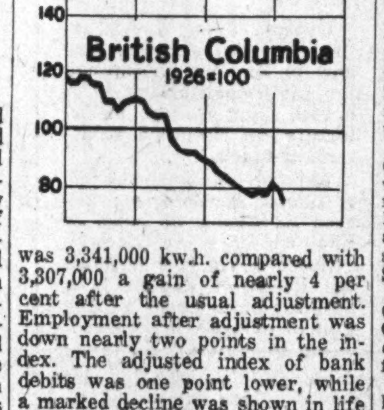
Wheat prices moved up, the gain being more than normal from the season. Wheat receipts of the country elevators which normally show a considerable decline in February actually showed a gain. The increase after seasonal adjustment was consequently of considerable proportions.



The index for the Prairie Provinces was 90.0 compared with 90.4 in January.

Few Gains in B. C.

Of the nine factors used in connection with the compilation for British Columbia three only showed gains. Contracts awarded were $590,000 compared with $665,000 while building permits recorded an increase. The output of electric power on an average daily basis was 3,341,000 kw.h. compared with 3,307,000 a gain of nearly 4 per cent after the usual adjustment. Employment after adjustment was down nearly two points in the index. The adjusted index of bank debits was one point lower, while a marked decline was shown in life insurance sales. External trade through British Columbia ports was less in February although the tonnage of vessels clearing from Vancouver showed a moderate gain.



The index of business in British Columbia was 76.1 compared with 80.7 in January.

SMALLER VOLUME SEA FISH CATCH AS PRICES WEAK

Less Effort Expended in 1932 as Returns Not Worthwhile

Low wheat prices failed to stop the Canadian farmer from sowing more wheat than ever before in 1932, but the low price of fish is stated to be the reason for the great decrease in the amount of sea fish taken by Canadian fishermen in 1932.

Nor is the reason hard to find.

While farming is purely a unit business, the fishing industry is largely run by companies definitely in the business to operate in the cheapest possible manner and on a profitable basis. Therefore, while the farmer, able to save enough grain from the previous year's crop and with instruments to hand went ahead and sowed without having to distribute cash in wages or equipment, the fishing interests kept many trawlers in harbor as their possible catch could not provide the return necessary to pay operating costs.

Year's Catch

Canada's sea-fish catch for 1932 amounted to 7,120,000 cwts., according to unrevised statistics, and had a value of $11,028,244 compared with $14,554,542 in 1931, a decrease of 24 per cent.

There are five sea fisheries provinces in the Dominion—British Columbia, Nova Scotia, New Brunswick, Quebec, and Prince Edward Island—and in all of them except Prince Edward Island catch and landed value alike decreased in 1932. In Prince Edward Island the total landings showed an increase of something more than 1,600 hundredweights, but notwithstanding the gain in catch the landed value figures decreased as a result of lowered prices.

The following table gives the catch and landed value totals for each of the sea fisheries provinces:

	Catch cwts.	Landed Value
British Columbia	3,276,319	$4,207,639
Nova Scotia	1,947,888	3,835,298
New Brunswick	958,948	1,441,591
Quebec	671,643	829,126
Prince Edward Island	237,380	714,590

Lobsters made the best showing compared with 1931, the volume being increased to 480,402 cwt. from 435,490 cwt., while the value is only slightly lower at $3,105,757, compared with $3,255,187 in 1931. Salmon leads as usual with a catch valued at $3,275,855 compared with $3,825,417 in 1931. Landed value of chief commercial fishes is shown in the following table:

Landed Value of Sea Fish

	1932 $	1931 $
Salmon	3,275,855	3,825,417
Lobster	3,105,757	3,255,187
Cod	1,386,933	2,044,371
Halibut	854,749	1,462,186
Herring	565,134	1,152,776
Haddock	499,141	603,429
Smelts	372,189	426,100

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Liquid Malt Distributing Co. has notified the London City Council of its intention to establish a manufacturing plant in London provided it can obtain a suitable building with very little taxation for 10 years and a loan from the city or from any individual of from $15,000 to $20,000, to be returned within ten years. Promise is given that at least 40 persons will be employed.

David Rosenstein, of New York City, has leased space in Toronto and will install machinery for the manufacture of women's slippers. Mr. Rosenstein was formerly secretary and a director of one of the largest slipper manufacturers in the United States.

John C. Virden Co., Ltd., Toronto, Canadian subsidiary of a Cleveland, Ohio, concern, is installing new machinery and has leased additional floor space to enlarge its plant.

Noma Electric Co. of Canada, Ltd., has increased its factory space in Toronto from 5,000 to 7,000 square feet and additional equipment is being installed.

Minneapolis - Honeywell Regulator Co., Ltd., has leased 6,000 square feet of floor space in Toronto to take the place of its present plant which is a quarter of that size. The company manufactures thermostatic controls, switches and valves.

Lancashire Felt Co., an English firm which located a branch factory in Guelph a year ago, is installing additional machinery and will employ extra help as soon as the plant is ready for operation. At present only 15 hands are employed but it is stated that 250 will be on the payroll before summer.

Say Britain Ready To Return to Gold

"Announcement Coming Sooner Than Expected," European Authorities State—Believe Requisite Conditions Essentially Met—McKenna Against Gold

This is the first of a series of articles discussing the future of the gold standard. The next article will appear in an early issue.

Great Britain's return to the gold standard is no longer a mere possibility, in the opinion of some observers. European authorities are quoted as believing "the announcement is coming much sooner than is generally expected." It is suggested that the gold content of the pound may be changed to make it worth approximately $3.40 in gold dollars.

The basis of this opinion is that Neville Chamberlain's statement of the conditions requisite before Great Britain would consider a return to gold are said to have been essentially met. The statement of the canny Chancellor of the British Exchequer was:

"We have made it abundantly clear that we are not going to trust ourselves again to the gold standard unless and until we are assured that it will work, and in order to be sure that it will work there has to be international agreement as to the conditions under which it shall be worked."

Claim "Agreement" Reached

Virtual "international agreement" is claimed to be the effect of present developments in the United States and assurances said to have been given by the French Minister of Finance during his recent visit to London. The American developments consist of an understanding that President Roosevelt will ask congress to "advise" him on the matter of war debts. Thus fortified, it is said he will negotiate a moratorium of the next two war debt payments, pending the world economic conference.

British announcement of steps preparatory to a return to gold will probably be made in connection with such a moratorium statement, it is said. But this does not conform to Mr. Chamberlain's other remarks on prices and gold resumption:

"No doubt we shall discuss these things at the world economic conference on the lines indicated by the preparatory commission at Geneva, but in the meantime we must remain on a sterling basis."

It should be noted that these remarks by Neville Chamberlain were made on Jan 30, and that since then the internal financial system of the United States has experienced a severe attack of indigestion. Also there is a new president. And there is nothing to prevent a Chancellor of the Exchequer of changing his plans. It has been done.

Britain Holds Dollars

Enormous dollar exchange balances are understood to have been collected by the British Exchange Equalization Fund. They may total $350,000,000. In recent weeks Great Britain is believed to have acquired at least £50,000,000 in gold. The amount may be greater since the Equalization Fund has probably not resold all its holdings to the Bank of England, and they cannot, therefore, be measured. Use of this gold and dollar exchange could probably be made to maintain a gold bullion standard and to expand internal credit.

Sterling would be at a premium in Canada if it were placed on a $3.40 gold dollar basis, and were selling at, say $4.10 here. In time this would undoubtedly entail revision of present methods of calculating duties against British imports into Canada. But it would give Canadian debtors to Great Britain a more or less permanent discount on their obligations there, since even $4.10 is much less than $4.86. This discount would, of course, be increased if the Canadian dollar were re-established at its former gold par. Sterling would then be at $3.40 in Canada and United States dollars at $1. This is all strictly problematical, of course.

Methods of Revaluation

To revalue sterling at $3.40 would necessitate changing the gold content of the pound. The present content is 113.0016 grains of fine gold to the pound. The U. S. dollar contains 23.22 grains of fine gold. Therefore the present sterling-dollar mint par is calculated:

Calculation of Gold Par of Sterling to U. S. Dollar

Fine gold in one pound	113.0016 grains
Divide by fine gold in one dollar	23.22 grains
Value of £ in U. S. $	$4.8665653

The fine gold content of the pound would have to be reduced to 78.948 grains to make this calculation work out at exactly $3.40.

When Canadian dollars are selling at 80 cents in the United States, they will not buy 23.22 grains of fine gold in New York. They should, ordinarily, because the statutary gold content of Canadian and U. S. dollars is identical. But we are not on gold standard, and cannot get gold at its mint par in exchange for our dollars. The Canadian dollar, at a 20 per cent discount, would buy only 80 per cent of 23.22 fine grains of gold in New York, or 18.576 grains. On the basis of gold valuation, Canadian dollars would also be valued at only 80 per cent of the new sterling par, or about four shillings, 11 pence, per dollar. Conversely, the new gold pound would be worth $4.25 in Canadian dollars. Thus, we would be paying a premium, above the new gold par, of 85 cents per pound, the difference between $4.25 and $3.40.

McKenna Against Gold

No less an authority than Rt. Hon. Reginald McKenna, chairman of the Midland Bank, recently told the bank's shareholders that Great Britain should not consider a return to gold at present, as follows:

"We should set aside, at least for the time being, all thought of returning to gold, either at the old or any new parity. There should be no attempt to govern our monetary conditions by reference either to the gold value of sterling or to the size of our gold stocks."

In addition to this comment, Mr. McKenna, himself a former Chancellor of the Exchequer, threw more bombshells into the gold camp.

As far as the use of gold to expand credit in Great Britain is concerned, Mr. McKenna said it was not necessary. Probably true. He said that the lowering of interest prior to the 1932 British debt conversion resulted in an expansion of credit. "Half a policy," he termed this monetary expansion because its full effects were prevented by closing the money market to new capital issues. New issues, he believes, would have allowed expansion of this credit into industry and would have raised prices. He attributed the last year's steadiness of British prices to this partial policy.

U. S. Credit Policy

Mr. McKenna and other authorities think that the United States "easy money" policy has not been tried at all. Purchases of securities by the Federal Reserve system, he says, were merely used to strengthen bank reserves and did not get into commerce through investment. There was no resultant expansion of credit by additional security purchases, consequent increases in bank deposits, etc.

Mr. McKenna recognizes that such a policy of credit expansion and higher internal prices would weaken sterling, but he says this should not be allowed to perturb Britons. Of this, he told Midland Bank shareholders:

"If we become alarmed at the fall (of sterling due to credit expansion) and counteract it by a renewal of deflation, our exchange, will recover, but only at the expense of our trade . . . we ought . . . to allow nothing to deter us from the policy of restoring our internal price level to a higher standard."

In brief, Mr. McKenna thinks it more important to raise the internal price level in Britain than to pay any attention to exchange rates. He would disregard world price levels if other countries do not raise their internal price levels.

Effect of Price Levels

Mr. McKenna is sure higher prices in Great Britain would mean lower levels for sterling. He claims that national price levels tend to cause the exchange rates of currencies to move in accordance with the fluctuations in the currencies' respective purchasing powers. He does not believe that exchange rates bring about changes in price levels, but the opposite.

It may be significant of British national policy that Neville Chamberlain has taken issue with this view of the effect of prices. Mr. Chamberlain points out that the difference between sterling and dollar prices is only about half the dif-

(Continued on page 8)

STEEL STRUCTURES
PLATE & TANK WORK
CAISSONS, BARGES
RAILWAY & HIGHWAY BRIDGES
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Hydraulic Regulating Gates and Operating Machinery
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MONTREAL OTTAWA WINNIPEG VANCOUVER
AMHERST TORONTO CALGARY
AGENCIES: EDMONTON REGINA

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (Mar. 18)	35,886	43,154	360,683	455,275
C.P.R. gross earn. (Mar. 21)	$ 2,003,000	$ 2,298,000	$ 20,771,000	$ 25,199,000
C.N.R. gross earn. (Mar. 21)	$ 2,182,714	$ 2,780,438	$ 22,990,272	$ 29,970,329
Automobile exports, No. (Feb.)	277	414	781	996
	Monthly			
C.P.R. net earn. (Jan.)	$ 323,373	$ 617,479	......	......
C.N.R. net earn. (Jan.)	$ ‡1,420,848	$ ‡588,122	......	......
Iron and Steel—				
Pig iron, tons (Feb.)	6,144	10,507	35,353	20,812
Steel, tons (Feb.)	12,374	28,469	53,140	53,529
Automobiles prod., No. (Feb.)	3,298	5,477	6,656	9,208
Automobile exports, No (Jan.)	277	414	781	996
Construction—				
Building permits (Feb.)	$ 906,906	$ 2,845,271	$ 2,070,784	$ 6,056,283
Contracts (February)	$ 3,149,300	$ 14,802,600	$ 6,511,700	$ 27,540,900
Newsprint—				
Production, tons (Feb.)	125,610	158,543	266,149	329,864
Exports, tons (Feb.)	107,446	142,445	235,225	315,358
Sugar—				
Imports, raw, lbs. (Jan.)	8,621,900	11,985,700	......	......
Melt & ship, lbs.*	19,041,407	27,454,330	37,808,036	55,426,344
Manufactured, lbs.*	20,347,109	25,680,631	47,650,242	58,571,920
Flour—				
Production, bbls. (Jan.)	859,107	851,192	......	......
Wheat flour exp., bbls. (Feb.)	323,114	337,513	730,418	669,319
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Feb.)	37.71	60.44	76.89	114.29
Boots and shoes, pr. (Jan.)	921,898	1,112,192	......	......
Petroleum, imp. crude, gal. (January)	35,084,950	72,728,643	......	......
Cotton, imp., raw, lbs. (January)	8,765,000	8,628,000	......	......
Rubber, raw, imp. lbs. (Jan.)	2,663,414	3,911,406	......	......
Coal, imports, tons (Jan.)	486,206	629,633	......	......
Gasoline sales, (Oct., 1932)	45,909,000	54,828,000	⁴435,827,000	477,119,000
Trade—				
Imports (February)	$ 28,514,114	$ 35,586,085	$ 47,955,247	$ 69,700,592
Exports (February)	$ 26,397,528	$ 36,431,055	$ 57,959,341	$ 74,797,754
Wheat exports, bus. (Feb.)	10,922,337	9,898,363	25,629,138	19,370,709
Labor—				
Employment Index (Feb.)	76.8	89.7	......	......
Electric Power—Output—				
M. Kilowatt hours (Jan.)	1,396,658	1,413,918	......	......
Finance—				
Failures, No. (Jan.)	213	238	......	......
Failures, Liabilities (Jan.)	$ 4,049,929	$ 4,060,643	......	......
Bank debits† (Jan.)	$ 1,968,876	$ 2,071,084	......	......
Bond sales (Feb.)	$ 209,000	$ 21,270,069	$ 20,412,610	$ 67,432,155
Insurance sales (Feb.)	$ 26,328,000	$ 38,145,000	$ 75,476,000	$ 81,368,000
Automobile Financing:				
Used cars (Feb.)	$ 631,147	$ 801,663	$ 1,165,804	$ 1,614,164
New cars (Feb.)	$ 530,449	$ 727,705	$ 982,201	$ 1,360,412

*Four weeks period, Feb. 4 to Feb. 25. †(000's omitted). ‡Deficit. ⁴Jan. 1 to Oct. 31.

Commodity Prices

Commodity Prices at Wholesale‡

	Week ending Mar. 25	Previous week	Same week last yr.
Cattle (cwt.)	$5.00	$5.00	$6.75
Copper, lb.	.05⅛	.05¾	.06
Cotton, lb.	.0645	.0656	.0660
Rubber, lb.	.0295	.0309	.0310
Silk, lb.	1.20	1.27½	1.60
Sugar, raw, lb.	.0298	.03	.0273
Wheat (Man.) bu.	.48⅞	.49⅞	.58⅝
Hides, lb.	.06	.06	.06
Coffee, lb.	.08	.08¼	.07¼
Weekly Indices			
N. Y. Annalist	82.9	82.8	90.8
Fishers'	56.6	56.1	†62.0
N. Y. Journal of Comm.	54.0	54.9	59.0
Crumps (Brit.)	60.3	60.0	†62.4

† Average 1932.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (Feb.)	63.6	63.9	69.2
Retail (Feb)	79.0	79.7	84.5
U. S. Labor (Feb.)	59.8	61.0	66.3
Gt. Brit. (Feb.)§	47.1	46.9	50.6

‡ Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

§ Converted to U. S. dollar equivalent.

Canadian Apple Shipments Large

Exports of Canadian apples to the United Kingdom for the season to date, amounting to 1,044,561, barrels and 1,740,390 boxes, show a decrease of 20 per cent in the number of barrels shipped and an increase of 276 per cent in the number of boxes shipped.

Ottawa Valley Power Company
5½% First (Closed) Mortgage Bonds
Due October 1, 1970
Principal and interest payable in Canadian or United States funds.
Price: At Market, to yield about 5.60%
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Royal Securities Corporation Limited
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330 Bay Street TORONTO 2
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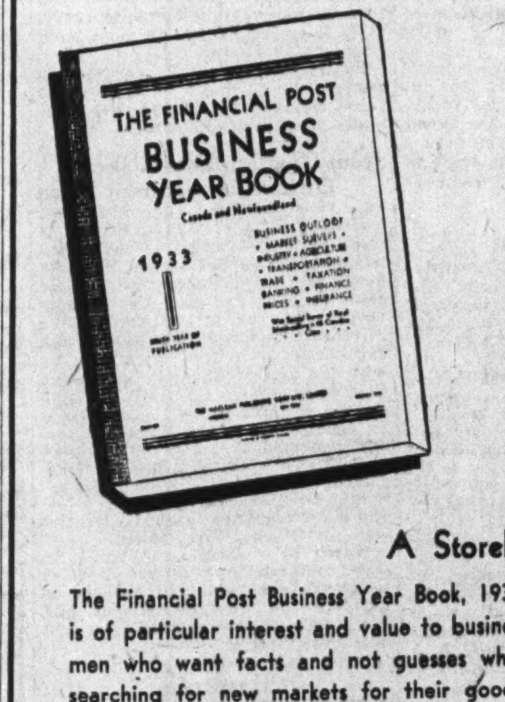

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NOTICES

Do You Need A NEW SECRETARY?

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Montreal Tramways Company

ANNUAL GENERAL MEETING

NOTICE is hereby given that in accordance with the by-laws of the Company, the Annual General Meeting of the Shareholders of the MONTREAL TRAMWAYS COMPANY will be held at the Company's Offices, Tramways Building, 159 Craig Street West, Montreal, at 12 o'clock noon, on Monday the 20th day of March, 1933.

This meeting will be convened as called and immediately adjourned until Monday, the 24th day of April, 1933, at the same time and place.

The Transfer Books will be closed from the 1st day of March, 1933, to the 20th day of March, 1933, both dates inclusive.

By order of the Board.
PATRICK DUBEE,
Secretary-Treasurer.

Monday, January 16th, 1933.

DIVIDEND NOTICES

POWER CORPORATION OF CANADA LIMITED

Preferred Dividend No. 31

NOTICE is hereby given that a dividend of 1½% (being at the rate of 6% per annum) has been declared on the 6% Cumulative Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending March 31st, 1933, payable April 15th, 1933, to shareholders of record at the close of business, March 31st, 1933.

By order of the Board,
L. C. HASKELL, Secretary.

Montreal, March 24th, 1933.

Canada Bud Breweries Limited

Dividend No. 14

Notice is hereby given that a dividend of fifteen cents (15c) per share on the no par value common stock of Canada Bud Breweries Limited has been declared payable on the 15th day of April, 1933, to shareholders of record at close of business on 31st March, 1933.

By Order of Board of Directors.
E. J. KAY,
Secretary-Treasurer.

Toronto, 23rd March, 1933.

Associated Breweries of Canada Limited

Notice to Shareholders

The Fifth Annual General Meeting of the Shareholders of this Company will be held on Friday, the 28th day of April, A.D. 1933, at the hour of eleven (11) o'clock in the forenoon, at the Head Office of the Company, in the City of Calgary, in the Province of Alberta, to receive the Annual Report of the Directors, Balance Sheet, Statement and Report of the Company's Auditors; to elect Directors for the ensuing year; to appoint an Auditor and fix his remuneration for the ensuing year and to transact such general business of the Company as may be properly come before the Meeting.

The Common Stock Transfer Books will be closed at Montreal and Calgary at three (3) p.m., on Wednesday, the 5th day of April, A.D. 1933, and will be reopened on Saturday the 29th day of April A.D. 1933.

By Order of the Board.
J. G. Walford, Secretary.

Calgary, Alberta,
March 27th, 1933.

THRIFT STORES, LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that the following dividends have been declared by Thrift Stores Limited:

One and five-eighths per cent (1⅝%) on the 6½% FIRST CUMULATIVE REDEEMABLE CONVERTIBLE PREFERENCE SHARES, and

One and three quarters per cent (1¾%) on the SECOND CUMULATIVE REDEEMABLE CONVERTIBLE PREFERENCE SHARES

Both dividends are for the quarter ending March 31st, 1933, payable April 1st, 1933, to shareholders of record March 21st, 1933.

By order of the board of Directors.
THOS. F. MUNDY, Sec.-Treas.

Montreal, March 21st, 1933.

The Steel Company of Canada, Limited

Preference Dividend No. 87

Notice is hereby given that a dividend of forty-three and three quarters cents (43¾c) on the new Preference Shares of the Company has been declared for the quarter ending March 31st, 1933, payable May 1st, 1933, to shareholders of record at the close of business April 7th, 1933.

By order of the Board,
H. S. ALEXANDER,
Hamilton, Ontario, Secretary
March 22nd, 1933.

The Steel Company of Canada, Limited

Ordinary Dividend No. [illegible]

Notice is hereby given that a dividend of thirty cents (30c) on the new Ordinary Shares of the Company has been declared for the quarter ending March 31st, 1933, payable May 1st, 1933, to shareholders of record at the close of business April 7th, 1933.

By Order of the Board,
H. S. ALEXANDER,
Hamilton, Ontario, Secretary
March 22nd, 1933.

NEWS FROM

Canada's Capitals

A week-by-week summary from Ottawa and the provincial capitals of legislative developments of interest to business.

Dominion Parliament

OTTAWA.—Highlights of Dominion Parliament for the past week are as follows:

March 22, House of Commons:—Hon. E. N. Rhodes moves amendment to the Dominion Notes Act providing for the suspension of gold redemption by government order-in-council. Unemployment Relief Act extension bill approved in resolution stage and advanced to first reading.

March 23, House of Commons:—Visiting Forces bill reported from the committee of the whole. Exchequer Court Act amendment, regarding expenses which may occur in case commonwealth forces visit Canada, is given third reading. Unemployment Relief Act extension bill receives second reading on division 115-62.

Banking and Commerce Committee hears Federal law officer give evidence to the effect that the power to fix maximum interest rates on mortgages, bonds, bank loans and promissory notes rests with the Federal Parliament. He believes, however, the Dominion is powerless to control other terms of these contracts. Attorney-General of Nova Scotia, in the main, agrees with this opinion.

Railway Committee considers the Sarnia Tunnel bill, without reaching a decision.

March 24, House of Commons:—Hon. R. J. Manion tabled the annual report of the National Railways and steamship services. Unemployment Relief Act extension bill is reported out of committee for third reading. Visiting Forces bill is given third reading. Hon. J. L. Ralston, financial critic of the Opposition, speaks on the budget, moving an amendment to the effect that the government has lost the confidence of the country.

Agricultural Committee continues the enquiry in milk conditions at Montreal.

March 27, House of Commons—Dominion Notes Act read a second time, considered in committee and given final reading. Unemployment Relief Act extension bill given third reading on division 89-46. Income War Tax (early amendment and not concerned with recent tax increase) given third reading.

March 28, House of Commons — Budget debate continues.

Redistribution committee — Members from various provinces reveal party negotiations are well under way.

Senate Banking and Commerce Committee—Canada shipping legislation taken in hand. Committeemen decided to hear representations on controversial sections, and endeavor to complete the work in time to enact the measure this session.

Ontario

TORONTO, March 22—Chain store taxation will remain as at present for retail stores but chain store warehouse taxes will be increased. Assessment for warehouses will be 75 per cent. Municipal Law Committee recommends. Bill to have litigation involving public utilities and municipal corporations tried before a judge without a jury referred back to legal bills committee.

March 23—Deficit of $2,952,000 announced by Premier Henry in presenting budget. Nearly $2,000,000 uncollected interest and principal under loans of agricultural board. Only new taxation is 10 per cent surtax on succession duties.

March 28—Attack on Ontario Hydro carried on by Liberals during two previous days continued. Move non-confidence motion.

Alberta

EDMONTON, March 17—Specified crown lands in many areas of the province will be thrown open to settlers at an early date, Hon. R. G. Reid, minister of lands and mines, announced.

March 21 — Provincial telephone report tabled. Deficit of $615,281 for year ended March 31, 1932.

March 22—No further legislation will be brought in this session with regard to gas conservation in Turner Valley, Premier Brownlee stated in reply to a question.

Committee probing alleged excessive expenditure on roads fails to come to any decision as evidence so far inconclusive.

March 23—Committee will be appointed to recommend extent of ridings and number of seats to be allotted. Motion to reduce number of seats from 63 to 45 defeated.

British Columbia

VICTORIA, March 17—T. D. Patullo, Liberal leader, criticized the government's attitude toward unemployment stating that relief was imperative. He went on record as favoring Canada-wide inflation.

March 18—Premier Tolmie issued a statement that he would carry out his programme for reorganization of cabinet and creation of a union government.

March 22—Dominion Government's order compelling fishermen to gut and land salmon in canneries within 24 hours came under fire in the house. J. Loutet, Conservative, sponsored a motion calling on the legislature to record its emphatic disapproval of the order.

Saskatchewan

REGINA, March 20 — Committee considering gasoline price discrimination bill voted not to report the bill to the house, but house voted down committee's recommendation that the bill be not proceeded with.

March 21—Committee considering debt adjustment legislation recommends retention of personal covenant clause and recovery of unpaid balances on articles sold on installment plan valued at over $100.

March 22 — Saskatchewan wheat pool owes government $13,684,000, which will be paid back at rate of $1,132,292 for 19 years, provincial treasurer announced.

March 23 — House discussed the merits and demerits of federal tariffs. Went on record regretting all nations have resorted to tariffs and urging trade relations be made with U. S. A. and other countries. Imperial treaties made at Ottawa were lauded.

March 24 — Legislature voted in favor of committee's recommendation to return the right of creditors to garnishee to debt adjustment bill, but permit will be required from debt adjustment board.

Manitoba

WINNIPEG March 20 — Supplementary estimates of $779,352, chiefly interest on New York debt, brought down by Premier Bracken.

March 21 — Legislature went on record urging minister of customs at Ottawa to allow free importation of seed potatoes from North Dakota to failure area, on ground that U. S. A. potatoes would cost only 15 to 18 cents a bushel compared with 70 to 90 cents from Canadian points.

March 27—Feature of provincial budget is new taxation of one per cent on all incomes.

NOTICES

—WANTED—

An opportunity to represent manufacturer, in Western Canada, on a commission basis, by a Canadian, 38 years old, with 14 years selling experience, Winnipeg to coast. Box 111, The Financial Post, Toronto.

Canadian Pacific Railway Company

Notice to Shareholders

The Fifty-second Annual General Meeting of the Shareholders of this Company, for the election of Directors to take the places of the retiring Directors and for the transaction of business generally, will be held on Wednesday, the third day of May next, at the principal office of the Company, at Montreal, at Twelve o'clock, noon.

The Ordinary Stock Transfer Books will be closed in Montreal, New York and London at 3 p.m. on Tuesday, the eleventh day of April. The Preference Stock Books will be closed in London at the same time.

All books will be re-opened on Thursday, the fourth day of May.

By order of the Board,
ERNEST ALEXANDER,
Secretary.

Montreal, March 13, 1933.

OTTAWA HEARS OBJECTIONS TO NEW IMPOSTS

Amendments to Budget Proposals Considered Possible

From Our Own Correspondent

OTTAWA.—Will the budget, in its original form, survive the attacks which are being made upon it? That there will be some modifications is regarded as certain. That there will be important amendments is regarded as probable.

The elimination of sales tax exemptions is causing acute dissatisfaction to manufacturers and others. In particular, manufacturers are objecting to the manner in which the government has made the sales tax a pyramiding one. To charge the tax on manufacturers' raw materials and again on the finished product is regarded as highly improper. Changes in this respect are by no means improbable.

Change Bond Tax?

Two features of the per cent tax on interest payments and dividends point to an alteration in the proposals of the government. First there is the point that some Canadian corporations are pledged in their bond issue to pay a stipulated interest and to absorb all taxation other than the personal income tax. In other words, the corporations will have to pay the 5 per cent on bond interest, leaving bondholders unscathed. Unless the government can so frame the tax as to impose it directly upon bondholders it seems likely that a change will be unavoidable. Second, the tax is to be collected at the source. All the provinces pay interest to bondholders, and, under the tax, would be compelled to deduct the five per cent and forward the money to Ottawa. Under the constitution, the provinces are just as sovereign, as untrammelled in their powers as is the Dominion Government. Their respective jurisdictions are defined in the British North America Act. But there is no power in this act to compel any province to collect revenues for the Dominion, and there is some reason to believe that some of them will decline to do so. This tax, therefore, seems to be in a rather precarious position.

With respect to the other taxes, there are very audible complaints from those affected, but the government probably will be able to make them stick. The one exception is the budget announcement curtailing war pensions. This announcement provided that all civil servants in receipt of pensions must elect either to forego their pension or their salary. The government hoped to save $500,000. It is true that this measure is not a tax; it is an economy. In any event the outcry has been so great, that the government is believed already to have decided to modify the policy in a way that will restrict its application to pensioners who are in receipt of large salaries. Instead of saving $500,000, the minister of finance will be lucky to get away with a quarter of that sum.

MATHEWS S. S. LINE MAY GET BUSINESS

Norris Grain Proposes to Supply Cargoes in 1933 Season

G. T. Clarkson, acting as receiver and manager of Mathews Steamship Co. has been granted permission by the court to enter into an arrangement with Norris Grain Co., Winnipeg and Toronto, with Chicago affiliations, whereby the latter company would provide business for 13 vessels of the Mathews fleet of lake freighters. Remuneration for securing such business would be 60 per cent of net operating profits of the steamship company while the suggestion is also made that Norris Grain might later acquire the Mathews fleet. It is understood that negotiations have not as yet been finally completed.

An offer has also been made by Sarnia Steamships Ltd. to charter 10 of the Mathews boats for the 1933 season for $125,000. This would yield the Mathews Steamship Co. a net profit of $70,000 after allowing for depreciation and deductions for interest, Mr. Clarkson estimated.

The Mathews Steamship Co. has been in receivership since February, 1931, following failure to meet bond interest due February 1.

Public interest in the company is confined to an issue of 6 per cent serial bonds of which there was originally $2,000,000 outstanding.

John Graham Establishes Ottawa Investment Firm

From Our Own Correspondent

MONTREAL. — Announcement is made by John Graham of the establishment of an investment banking house in Ottawa under the name of John Graham and Co. Mr. Graham secured his early training in the investment business with the old Bank of Ottawa. He spent a short time with the firm of Aemilius Jarvis and Co. and joined the former H. C. Monk and Co. in 1920. In 1927 he purchased an equal share in the Monk business and remained a partner until March 8, 1933, when the old firm was dissolved.

Federal Debt is $1,850 On Every Canadian Home

Since Demobilization Was Completed Canadian People Have Added $800,000,000 to Debts of Federal Government

Perhaps the most significant fact concerning the finances of the Dominion of Canada is that since the period of war and demobilization the net debts of the Canadian people have increased by over $800,000,000. Of this figure, $350,000,000 represents an increase in the net liabilities of the Dominion of Canada directly and over $450,000,000 represents an increase in the public debt of the Canadian National Railways, which is not shown in the public accounts, but which is nevertheless an obligation of the people.

The second important fact is that, of the increase in net debt, over $650,000,000 has been piled up since March 31, 1929—in other words, in the last four years.

We have long passed the point where we can blame the war for our present heavy federal financial burdens. We have made no serious endeavor to pay off the war burden. On the other hand, we have continued to pile up new liabilities. Since demobilization was completed, there have only been five years in which we have reduced the net obligations of the Canadian Government and the largest amount of reduction in any one year was $74,000,000. On the other hand, there have been eight years in which we have increased the obligations of the Canadian Government and the increases have run up to as much as $221,000,000 in a single year.

Two Significant Tables Given

The facts presented in the two tables below are worthy of study by every good Canadian citizen.

The first table shows the net debt of the Dominion Government and the Canadian National Railways debt to the public with the aggregate of the two at March 31 of each year from 1920 to 1933.

Debt of Dominion of Canada
(In millions of dollars)

March 31	Net Debt	C.N.R. Debt	Total
1920	2,249	801	3,050
1921	2,341	821	3,162
1922	2,422	831	3,253
1923	2,454	805	3,259
1924	2,418	823	3,241
1925	2,417	914	3,331
1926	2,390	931	3,321
1927	2,348	935	3,283
1928	2,297	981	3,278
1929	2,226	978	3,204
1930	2,178	1,123	3,301
1931	2,262	1,169	3,431
1932	2,376	1,276	3,652
1933	2,599	1,263	3,862

It may be noted that at March 31, 1933, according to the preliminary figures of the Hon. E. N. Rhodes, Canada's net debt will have reached an all time high.

The next table shows the amount of the increase or decrease in each year of the period under review.

Increase in Dominion Debt

Years to March 31	Increase	Decrease
1921	$112,000,000	$ ....
1922	91,000,000	....
1923	6,000,000	....
1924	....	18,000,000
1925	90,000,000	....
1926	....	10,000,000
1927	....	38,000,000
1928	....	38,000,000
1928	....	5,000,000
1929	....	74,000,000
1930	97,000,000	....
1931	130,000,000	....
1932	221,000,000	....
1933	210,000,000	....
Total increases	$957,000,000	
Total decreases	145,000,000	
Net increase	$812,000,000	
Divided as follows:		
Increase in net Debt	350,000,000	
Increase in C. N. debt	462,000,000	
	$812,000,000	

The increase in the net debt of the Dominion is largely the product of budget deficits, including deficits on the Canadian National Railways. The increase in railway debt is largely the result of the expenditure of money on new capital investments.

Only by taking the federal railway figures together as has been done in these tables can we get a clear and true picture of the Dominion's financial position.

Viewed in this matter the figures are startling to say the least.

Nearly $2,000 Per Canadian Family

Combined, the figures represent a burden of $1,850 for every family in the Dominion. The projected deficit in Canadian Government accounts during the coming year will undoubtedly bring the figures to a total of around $2,000 per family.

Canadians will some day be faced with the difficult task of establishing a ten, twenty, or thirty year programme for wiping out this debt. Anything short of such a programme, any continuation of the present attitude of indifference and governmental policy of drift would force us into a condition of national bankruptcy.

CAN. GOODRICH CO. REVERSES TREND

Has Trading Profit; Loss Substantially Under Previous Year

Canadian Goodrich Co. turned a trading loss of $51,863 in 1931 into a trading profit of $214,964 in 1932 which covered interest payable on loans and bonds by a good margin before provision for depreciation. Reduction in the provision for loss on exchange partially offset depreciation reserve and the company had a net loss for 1932 of only $34,946 as compared with $800,215 in 1931. Net sales of the company were $2,322,234 as compared with $2,764,342 in 1931.

CONSOLIDATED INCOME ACCOUNT
Years Ended December 31

	1932 $	1931 $
Trading profit	214,964	*51,863
Add: Int. on loans	64,509	66,377
1st mtg. bond int.	13,083	13,744
Inc. bond int. res.	73,402	73,402
W/d invent. res.	4,543	22,754
Loss on exchange	......	351,688
Depreciation	195,859	220,386
	136,432	800,215
Red. in prov. for exch.	101,486	......
Net loss for year	34,946	800,215
Add: Prev. loss	1,794,910	994,695
Deficit forward	1,829,856	1,794,910

*Loss.

Working capital was improved although ratio of current assets to current liabilities declined. Cash position is strong with cash at $748,299; accounts and notes receivable at $436,273 and inventories at $696,985.

Working Capital

	1932 $	1931 $
Current assets	1,881,556	1,647,828
Current liab.	373,977	167,220
Working capital	1,507,579	1,480,608
Ratio	5.03—1	9.85—1

Loan from associated company has been reduced to $1,696,113 from $1,812,690. Reserve for reduction of commitments to market value and for accumulated bond interest is up to $216,889 from $155,809. There remains outstanding $184,900 of seven per cent first mortgage bonds, a reduction of $13,000 in the year. Second mortgage bonds remain outstanding at $1,048,600. Fixed assets are carried at $1,985,116 after reserve for depreciation of $1,055,793.

Gypsum, Lime & Alab. Plans British Plant

Gypsum, Lime & Alabastine (Canada) principals are now in England to arrange for the establishment of a branch plant for the manufacture of fireproof structural products.

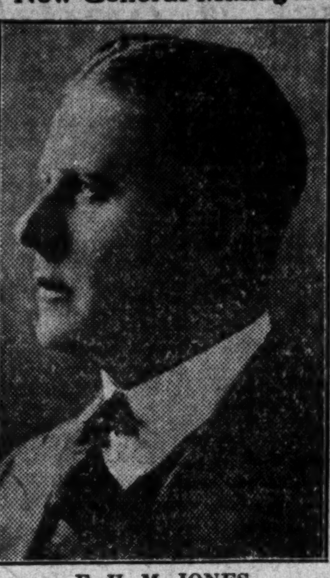
Through the export office in London the company has been increasing its sales in England in a satisfactory manner, and a new plant in the Rochester district is a natural development of the growth of sales in England.

Advertising Linage Drops in February

From Our Own Correspondent

MONTREAL — Banking moratoria in the United States during the latter part of the month, had a strong bearing upon the volume of advertising in daily newspapers, according to returns compiled by Media Records Inc. and published in Editor and Publisher. Total advertising for 52 cities for which comparable figures are available was only 74.3 per cent of the amount in February, 1932, and only 59.4 per cent of the five-year average for February.

New General Manager



F. H. M. JONES
Who was recently appointed general manager of the Eastern Trust Co., of Halifax.

RETAIL TRADE OVER $3,000,000,000 IN '30

(Continued from page 1)

confectionery in last place, with sales of only slightly over $5,000.

Rise of the chain store organization has been the feature of retail merchandising evolution on this continent during post-war years and, therefore, the compilation showing a breakdown as between chain and independent stores is of considerable interest. Only the comparatively small proportion of 18.9 per cent of total business was done by sectional and national chains in 1930, according to the report, while 67.4 of the retail business was done by independents.

An even more recent trend toward grouping in voluntary buying organizations has been spreading in the grocery and drug fields but these groups handled only 4.1 per cent of total business in 1930.

Chain organizations have been most active in the grocery field and figures available for 1930 show that sectional and national chains did 21.7 per cent of the total business done in grocery stores and 34.2 per cent of all business handled by grocery stores with meat markets combined. It is in the grocery field, also, that buying groups have the largest hold, 17.3 per cent of grocery and 16.2 per cent of grocery with meat business being done by this type of organization.

Business done by the various types of stores is shown in the following table:

Type of Operation of Retail Merchandising Outlets, 1930; All Stores

	No. of Stores	Net Sales
Independents	[illegible]	$1,891,472,200
Single stores in vol. chains	4,514	114,788,000
Two-store multiples	3,404	151,187,100
Three-str. multiples	1,233	65,932,200
Local chains (4 stores & over)	1,001	50,942,800
Sectional & national chains	9,276	530,753,500
	121,942	$2,805,075,800
Grocery Stores		
Independents	14,704	$130,806,200
Stores in vol. chains	2,052	41,154,300
Two-store multiples	127	2,747,600
Three-str. multiples	54	1,680,600
Local chains	202	9,388,600
Sectional & national chains	919	51,377,500
	18,058	$237,154,800
Combined Grocery and Meat Stores		
Independents	3,742	$80,589,200
Stores in vol. chains	836	29,666,900
Two-store multiples	116	3,771,700
Three-str. multiples	42	1,903,700
Local chains	65	4,319,300
Sectional & national chains	995	62,606,800
	5,796	$182,857,600

Amusements form the chief revenue producer of the services section, 3,229 establishments having receipts of $54,255,600 in 1930. The domestic services group ranks second in receipts with $39,493,500, second in number of establishments with 4,895 and first in number of employees with 17,502.

Repair shops form the largest group in point of numbers, with 13,505 stores and are third in receipts with $27,488,000, boot and shoe repair shops with receipts of $7,914,000 and blacksmith shops with receipts of $7,341,000 being the largest contributors. Service stores, listed by groups, are as follows:

Service Establishments by Groups, 1930

	No. of Establishments	Net Receipts
Amusements	3,229	$ 54,255,600
Cartage & storage	2,457	25,913,800
Domestic service	4,895	39,493,500
Personal services	10,602	24,444,000
Photography	844	5,421,600
Repair	13,505	27,488,000
Transportation	2,228	24,167,800
All other	3,334	34,930,900
	41,094	$236,115,200

I. P. Plans More Even Distribution of Tonnage

From Our Own Correspondent

MONTREAL. — Directors of International Power and Paper Co. of Newfoundland at their regular meeting decided upon a more even distribution of paper output from the three Canadian and one Newfoundland mills making up the International group. It is proposed to allot each mill its share of the business offering. A programme also has been initiated looking to a closer contact between the Government of Newfoundland and the International Paper Co.

PULP AND PAPER EXPORT VALUES OFF IN FEBRUARY

Drop in Newsprint Sales Affects Aggregate Total

From Our Own Correspondent

MONTREAL.—A further recession took place in the value of pulp and paper exports during February as compared with the preceding month and with February, 1932. The value of exports in February this year was $5,882,740. This compares with $6,880,093 in January, 1933, and $8,938,366 for February, 1932.

While declines were general in nearly all classifications, the greatest dollar decrease took place in the case of newsprint exports which account for the major share of shipments. In February last year shipments of newsprint were valued at $6,894,515. For the same month this year tonnage exported had declined while the value of shipments was $4,261,033.

Newsprint is Feature

Comparative figures on pulp and paper exports in February, 1933, and January, 1933, and February, 1932, follow:

	Feb., 1933 $	Jan., 1933 $	Feb., 1932 $
Paper:			
Newsprint	4,261,033	5,204,445	6,894,515
Others	210,481	218,342	297,134
Total	4,471,514	5,422,787	7,191,649
Pulp:			
Sulphate	234,337	167,343	257,632
Sulphite (bl.)	926,899	911,125	1,003,927
Do., (unbl.)	178,720	190,798	335,267
Mechanical	65,619	182,623	134,765
Screenings	4,448	1,836	4,706
N. O. P.	1,203	3,586	10,421
Total	1,411,226	1,457,306	1,746,717
Total P. & P.	5,882,740	6,880,093	8,938,366

On Lower Scale

Cumulative returns for the first two months of this year show exports of pulp and paper valued at $12,762,833. This compares with $19,725,643 for the first two months last year. The drop of $6,000,000 in total exports corresponds to the drop in export values of newsprint.

Tire, Tube Prices Up Because of Excise Tax

Suggestion in last week's issue of The Financial Post that the newly imposed Federal 5 per cent excise tax on automobile tires and tubes would probably be passed on to the consumer, proves correct. Manufacturers have carefully studied the incidence of taxes on the industry during the last week, and as the cost has been increased by the amount of the new tax it has been added to the price to the dealer.

It is hoped that this addition in price will not affect tire purchases materially as there had been considerable reductions before the tax made this increase necessary. The new price will still be very low as compared with prices a few years ago.

The devaluation of the pound sterling is not expected to have much effect on the present position of tire companies, The Financial Post is informed by one of the chief executives in the industry.

Montreal Curb Adds Stocks to Unlisted Section

From Our Own Correspondent

MONTREAL.—The Montreal Curb Market announces that the following stocks, formerly listed on the Montreal Stock Exchange, had been transferred to the unlisted department of the Montreal Curb; Abitibi Power & Paper common, Abitibi Power & Paper cumulative preferred 7 per cent; Abitibi Power & Paper cumulative preferred 6 per cent; Asbestos Corp., Limited, common, Asbestos Corp. Limited, non-cumulative preferred and Detroit United Railway. All transactions in these issues will be made private settlement and the regular unlisted commission will be charged.

Railway Earnings

RAILWAY EARNINGS
Canadian National Railways

February:	1933 $	1932 $	Decrease $
Gross rev.	8,216,479	11,004,397	2,787,918
Oper. exp.	9,618,413	11,593,825	1,975,412
Net rev.	*1,401,934	*589,428	812,506
Two Months:			
Gross rev.	16,672,378	21,952,726	5,280,348
Net rev.	*2,822,782	*1,177,550	1,645,232

*Deficit.

Canadian Pacific Railway

February:	1933 $	1932 $	Decrease $
Gross earn.	7,096,887	9,043,278	[illegible]
Oper. exp.	7,000,276	8,813,843	1,813,567
Net earn.	96,611	229,434	132,823
Two Months:			
Gross earn.	14,772,548	18,247,249	3,474,700
Net earn.	419,983	846,913	426,929

Pound Parity For Tariff Use To Remain $4.86

From Our Own Correspondent

OTTAWA—Since the budget reduced the arbitrary value of the pound from $4.40 to $4.25, and fixed the value of the pound for the purposes of the stabilization fund at $4.60, there has been much speculation as to whether further relaxations in the special exchange duties against British goods will not be ordered in.

Since September, 1931, the government has charged the tariff on the par value of the pound, $4.86, and there have been many reports that this value for duty purposes might be dropped to $4.60. This presumption seems reasonable for the reason that the government considered this a fair figure upon which to base the stabilization fund bonuses.

It is learned unofficially that the government has no intention of making further reductions in these special duties. The drop in the arbitrary value of the pound has aroused much unfavorable comment from industries, such as the textile industry, which have to meet severe competition from Britain. Having regard for these industries, the government feels that it has gone about as far as it is possible to go at the present time.

SAYS BRITAIN READY TO RETURN TO GOLD

(Continued from page 7)

ference in sterling and dollar exchange.

Sir Harry Goschen, chairman of the National Provincial Bank, is for gold. At the recent annual meeting, he told shareholders:

"I think it would be generally agreed that sooner or later the pound must be anchored to a solid foundation. But it is impossible to say at present when the appropriate moment to carry this into effect will arise, and it would be equally premature to hazard an opinion now on what basis in relation to gold stabilization should take place."

Sir Harry, whose bank is one of the British "Big Five," clearly does not want to hurry resumption unduly.

Experts Agree on Gold

In any event, all the experts preparing for the world economic conference think gold resumption is eventually essential to facilitate world trade. This is a specimen of that rare bird, unanimity of economists' opinions. They state in their recommendations:

"The restoration of a satisfactory international monetary standard is clearly of primary importance. The world conference, in the absence of another international standard likely to be universally acceptable, will have to consider how the conditions for a successful restoration of a free gold standard could be fulfilled. In our view, among the essential conditions, which are discussed more fully below, are the restoration of equilibrium between prices and costs and, in future, such a reasonable degree of stability of prices as the world measure of value should properly possess.

"The time when it will be possible for a particular country to return to the gold standard and the exchange parity at which such a return can safely be made will necessarily depend on the conditions in that country as well as those abroad, and these questions can only be determined by the proper authorities in each country separately."

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Canada's 30 Leading Retail Outlets Ranked in Order of 1930 Net Sales

	Kind of Business	No. of Stores	No. of Employees	Salaries & Wages	Net Sales	Stocks on Hand	Sales per Capita	Sales per Store
1	Dept. and gen. over $10,000	373	50,537	[illegible]	$399,407,900	$63,294,900	$38.50	$1,070,799
2	Motor vehicle dealers	[illegible]	17,087	24,557,700	245,830,100	26,546,800	23.70	103,901
3	Groceries, without meats	18,057	17,853	13,023,500	237,154,400	24,930,000	22.80	13,134
4	General, with grocery	12,146	16,281	12,905,700	228,986,800	78,365,200	22.10	18,853
5	Liquor stores and taverns	1,248	5,838	7,905,300	131,375,700	8,963,300	12.70	105,691
6	Groceries, with meats	3,481	10,918	9,909,100	125,090,200	8,091,900	12.10	35,935
7	Coal and wood	2,387	9,955	10,920,100	97,241,700	8,066,300	9.40	40,738
8	Lumber and building materials	1,811	7,105	9,578,300	73,601,600	18,566,600	7.10	40,641
9	Hardware	2,958	7,133	8,338,900	72,027,600	27,914,200	6.90	24,350
10	Garages	5,260	10,068	10,545,600	71,379,400	5,459,600	6.90	13,570
11	Meat markets	[illegible]	[illegible]	[illegible]	70,282,900	1,927,100	6.80	14,778
12	Restaurants	2,815	16,038	12,295,700	57,972,100	1,415,400	5.60	20,594
13	Meat markets with groceries	2,315	5,577	5,017,590	57,767,400	3,058,600	5.60	24,954
14	Drug stores, without fountain	2,825	6,546	7,077,500	55,131,500	18,303,600	5.30	19,515
15	Filling stations	4,656	5,431	5,082,300	51,978,300	2,559,500	5.00	11,164
16	Women's ready-to-wear	1,428	5,435	5,369,100	44,410,100	9,384,200	4.30	31,100
17	Men's clothing and furnishing	1,380	3,605	4,819,800	40,640,400	16,790,500	3.90	29,450
18	Variety, 5, 10 and to a dollar	428	7,959	4,280,800	39,672,500	5,618,600	3.80	92,693
19	Confectionery	7,226	4,545	2,966,000	37,242,100	3,810,500	3.60	5,154
20	Furniture	1,061	3,438	4,578,400	36,695,000	11,421,000	3.50	34,585
21	Shoes	1,578	3,456	3,921,200	33,633,500	13,805,100	3.20	21,314
22	Feed	1,233	1,958	1,924,500	33,108,800	3,917,400	3.20	26,852
23	Farm implements and machinery	3,379	2,583	3,114,200	29,589,600	7,267,200	2.85	8,751
24	Clothing stores*	960	3,140	3,260,700	29,469,500	11,170,400	2.85	30,697
25	Dry goods	1,800	3,033	2,601,300	26,782,100	12,575,100	2.60	14,879
26	Milk dealers (incomplete)	833	3,724	4,572,600	25,430,700†	628,000	2.46	29,813
27	Drug stores with fountain	726	2,390	3,087,900	21,581,100	5,122,800	2.10	29,322
28	Lunch rooms	2,610	5,016	3,451,700	21,226,400	1,095,300	2.10	8,133
29	Musical instruments and radio	358	2,178	3,260,200	19,756,500	3,591,400	2.00	55,186
30	General, without grocery	534	2,253	2,238,400	18,916,100	7,754,000	1.80	32,390
	ALL STORES	121,942	304,454	308,631,600	2,805,075,800	497,190,000	270.40	23,003

* Stores which sell men's, women's and children's clothing.
† In addition dairies reporting with census of industry had sales of $47,930,735.

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Trust Company Gives High Place to Audits

Revamps Audit Requirements to Get Complete Check-up—Restates Balance Sheet in Simple Language for Public Consumption

A reader of The Financial Post writes as follows:

I have been much interested in the recent articles and correspondence in your paper concerning ample and informative reports by auditors.

Some few years ago it was deemed desirable to revise the by-laws of a company of which I was a director, which by-laws had not undergone revision for some 15 years or more, the company itself having been in existence since 1874.

In these by-laws the sole reference to the duties of the auditors was:

". . . . at each of the said annual meetings shall be submitted a full and clear statement of the affairs of the company for the previous 12 months, which shall be attested by one or more auditors appointed by the shareholders."

In the revision a combination was made so as to include all the provincial statutory requirements and also the amplifications which the revising committee advocated.

Revised By-law

The revised reference in the present by-law reads as follows:

(a) The shareholders of the company shall, at each annual general meeting, appoint one or more competent accountants to hold office as auditors until the next annual general meeting.

(b) If an appointment of auditors is not made at the annual general meeting, the provincial secretary may, on the application of any shareholder of the company, appoint an auditor of the company for the current year and fix the remuneration to be paid to him by the company for his services.

(c) A director or officer or employee of the company shall not be capable of being appointed an auditor of the company.

(d) The directors may fill any casual vacancy in the office of the auditors; while any such vacancy continues, the surviving or continuing auditor or auditors, if any, may act.

(e) The remuneration of the auditors of the company shall be fixed by the directors, save and except the case referred to in section (b).

(f) Every auditor of the company shall have the right of access at all times to the books, accounts and vouchers of the company and shall be entitled to require from the directors and the officers and employees of the company such information and explanations as may be necessary for the performance of the duties of the auditors.

(g) The auditors shall examine and verify at least semi-annually all the securities held by the company as executor, trustee or for management or safe custody, or in any other capacity, and they shall at least annually send lists of the securities held for safe custody to the persons for whom the same are held and shall make a report to the board of directors as to the performance of the duties stipulated by this by-law.

Verify Deposit Accounts

(h) The auditors shall make such examinations and verification of the deposit accounts and mortgage loan accounts of the company as may be necessary and expedient and shall at least annually cause to be mailed to such percentage of depositors as the auditors may deem expedient and to all mortgagors, a statement of account, requesting correction of any errors in such statement of account, and shall embody in their annual report to the shareholders the results obtained by them from such requests.

(i) The balance sheet shall be signed on behalf of the board by two directors, and the auditors' report shall be attached to the balance sheet, the report and balance sheet to be read before the company's general meeting, and shall be open to inspection by any shareholder, and thereafter any shareholder shall be entitled to be furnished with a copy of the balance sheet and auditors' report.

Information Obtained

(j) The auditors shall make a report to the shareholders on the accounts examined by them, and on every balance sheet laid before the company in general meeting during their tenure of office their certificate shall state:

Whether or not they have obtained all the information and explanations they have required;

Whether or not in their opinion, the balance sheet referred to in their report is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs, according to the best of their information and the explanations given to them, and as shown by the books of the company;

Whether or not the books and other records of the company are adequate and show clearly the operations of the company;

Whether or not all transactions of the company that have come to their attention appear to have been within the powers of the company;

Whether or not the depreciation and reserve accounts are such as to leave no doubt in the auditors' minds that the final balance asset values are safe;

Whether or not the real assets represented by mortgage liens or otherwise are properly protected by insurance; and

That the guarantee bonds are adequate;

That every care has been taken to include in the balance sheet all ascertainable liabilities of the company;

That they have made such verification and examination of the deposit accounts as seem to them expedient, and that they have mailed to depositors and mortgagors as shown on the books of the company statements of account in accordance with subsection (h) of this by-law with requests for the correction of any errors appearing therein, and that they have received no notification of any errors or such notifications as they have received up to the date of the report;

That, if requested by the directors, they have verified the correctness of the company's records of mortgages in the registry offices of the districts in which the mortgaged properties are situated, by obtaining certificates from such registry offices of the mortgages registered in the company's name, equivalent in amount to the company's total investment in mortgages, or to such amount as the certificates received total up to the date of the report, and if such verification for the current year has not been required by the directors, when the last previous verification was made; and

That the investments held in trust are kept separate from the company's own investments and are shown on the books of the company as belonging to the several trusts and estates on behalf of which they are held.

The Sherbrooke Trust Co., which is the company referred to in your letter, has perceived the high importance of comprehensive and careful audits to a company which must both enjoy and deserve public confidence in a large measure to be successful. The change in audit requirements was a distinct advance in company policy and the directors thereby showed their confidence that the inside story of the company was a very creditable one.

The last annual report for the year ended October 31, 1932, tends as well to enhance that confidence by reason of the detail, care and clearness with which financial information is given. The unusual space taken by the auditors' report, included in the financial statement, in detailing the measures taken to audit the company's books gives a lead which auditors of other than trust companies might do well to follow.

Clear Statement Given

In other respects the company appears to have desired to take the public into its complete confidence as to its affairs. The high class quality of the securities held could not have been shown better than by a complete list, and this list of the company's investments is information of high value for shareholder, depositor, and debenture holder.

The statement of profit and loss also sets forth in a clear manner the sources of revenue and the chief ways in which it is spent. The six year comparative abstract of liabilities and assets must also be considered information of great interest to a security holder.

The company is following an excellent line also in the revamping of its balance sheet for public perusal, under the heading, "An annual statement that anyone can understand." Technical terms are eschewed and in simple and non-technical language the public is told what the company owes to depositors, to holders of debentures, what it owes on a mortgage, what it owes to others and what is due to its shareholders. Each item is fully explained, and in the same way in item after item the company sets forth what assets in cash, bonds, call loans, accounts receivable, mortgages and less liquid assets the company has to meet the various amounts owed.

Confidence of Public

Some of the largest trust companies also follow a similar policy and it explains in great measure the confidence enjoyed.

The need to make financial statements both understandable and dependable is well recognized by firms that prepare balance sheets as clear and detailed as those just referred to. In fact, the return of prosperity and the dwindling of much of the present restlessness will be almost in direct ratio to the growing confidence of Canadians in the integrity of executives of their chief institutions and in the reports of governments and the joint stock companies of all kinds. The auditor occupies a position of high responsibility in seeing that the trust reposed in him is justified by results.

In the Mail

Audit Reports

Editor, The Financial Post,

I notice that your paper and others publish this week a balance sheet of Ottawa Light, Heat and Power Co., Ltd., with the words "Audited and certified P. S. Ross & Sons; Cunningham & Co. Chartered Accountants" at the foot. The Dominion Companies Act, under which this company obtained its charter, provides that every balance sheet published by a company must have the auditors' report or a reference thereto attached to it, and provides for fines up to $200 for every officer knowingly a party to a default. It is not clear, however, whose job it is to take action.

The habit has grown up of publishing balance sheets with only a reference to the auditors' report attached. Although legal, this is obviously most undesirable, for the general public is not entitled to a copy of the report, and a shareholder should not be under the disadvantage of having to write to ask for one. It is best to assume that, when a report is not printed in full, it contains something that the directors wish to conceal, and that assumption should continue until proof to the contrary is available.

In the case quoted above, we have what is, to me, a new departure. "Audited and certified" is not an auditors' report as required by the Companies Act, but it would appear that the auditors and the directors must be satisfied with this form of words.

C. A. ASHLEY.

March 25, 1933.
Toronto.

Editor's Note—The auditor's certificate occupies a full page in the printed report sent to shareholders. As published in The Post the report was in summary form.

Consolidated Investment

"I am in receipt of the last copy of The Financial Post, and thank you for the space you have allocated in your valuable paper to a discussion of this matter.

"I fully appreciate all the information contained in your replies to your respective correspondents; you have, in my opinion, stated the position of bondholders in their relationship to the corporation, and in their relationship to the trust company in a frank and unbiased way. I can, in fact, disagree with nothing that you have stated, but I should have liked for you to have gone a step farther, and explained if the trust company, who are the guardians of the bondholders' rights, have legally fulfilled their duties, if they have allowed the margin of safety for the collateral to sink below the 125 per cent limit, without advising the bondholders that such a condition had, or was about to take place?

"It looks very much to me as if the value of securities in its portfolio was permitted to drift gradually; and that when the bondholders' security had reached a point of not being readily liquid for 70 per cent of the bonds outstanding, instead of 125 per cent as provided by the Trust Deed, that then, and not till then, were they given notice; and then, at a time when it was altogether too late to salvage anything worth while from the wreck.

"I would very much like to know just what liability there is with trust companies in their responsibilities to the bondholder? And if it can be shown that trust companies have been remiss in the performance of their duties, is there not some redress, under the law, whereby bondholders could recover the loss arising from their actions?

"As you are aware, when these 4½ per cent bonds were offered to the public at a price that would barely return 4.75 per cent, a most conservative yield, and recommended highly by the greatest financial authorities throughout Canada; people of moderate means, like myself, bought them with the full assurance that the principal money, at any rate, would never be imperilled. It is therefore far from a joke to find today that this type of investment was no better than an investment in common stocks; and while the severity of the present depression must be duly considered, it is quite probable that part of the trouble can be traced to too great laxity in the handling by corporations of public funds."

The practice of trust companies in Canada differs to a considerable extent in their treatment of dubious situations that arise with regard to bond issues of which they are trustees. A few trust companies take the stand that they should act as soon as anything has happened which seems to imperil in any degree the position of bondholders, while others contend that they have no legal right to act until they have been requested by a bondholder. When it is pointed out to such institutions that the bondholders cannot possibly know when sinking fund payments have not been made or when certificates deposited as collateral have fallen below the market value it was designed they should have, they reply that it is open to any bondholder to make a request for this information. Upon request of one or a sufficient number of bondholders to take action, such trust companies would inform bondholders and call them to a meeting to devise measures to protect their interests. A trust company might think it was doing the best thing in the interests of the bondholders to have the company itself make a proposal and inform the bondholders of the fact.

In the matter of rights of bondholders it would seem to us that the practice of trust companies that inform bondholders at once is the best. Bondholders are then in a position to accept either the proposals of the company's directors or of an independent group which may think it sees a better solution.

Some time ago at the request of a bondholder The Financial Post ascertained that the market value of securities behind the bonds which you hold was not equal to 125 per cent of par value. It published this fact. An effort was made by some of the principals of the company to buy in sufficient bonds to restore the position. The continual decline in markets, however, prevented these measures being effective.

The question as to whether a trust company could be proceded against for redress would be a matter for a legal opinion in each individual case.

"I hold a considerable amount of Consolidated Investment Corporation 4½ per cent debentures and note that the company is not paying the interest due February 15, and have also read the proposed plan of reorganization to be voted on at a meeting to be held on March 22. As I am too far distant to attend this meeting, I would like to express my views on this company from its inception up to the present time.

"The company was formed in 1929, and had as a directorate men considered above reproach in the financial world, men who were willing to supervise the management of the company at practically no remuneration until such time as dividends were being paid on common stock. Interesting facts would be revealed by an independent audit showing what class of securities were purchased by the company and from whom they were purchased. (It might even be possible that some Massey-Harris and Canada Power and Paper were included in the portfolio).

"With regard to the trustee, The Montreal Trust Company, I understand this trust company was appointed as trustee to look after the interests of the debenture holders. In that event should not they have published the fact that the securities deposited with them as collateral for the debentures had declined in market value below the required 125 per cent of debentures outstanding. If they were anxious to protect the interests of the debenture holders, they certainly would have done so.

"I control approximately $50,000 of the above issue and would be willing to co-operate with any responsible party in order to obtain the necessary 10 per cent of voting power in order to liquidate this company and get back as much of our money as is possible.

"Perhaps this letter may seem a little too strong, but my safety deposit box is filled with worthless securities recommended to me as safe investments by leading Canadian investment bankers, and it is only natural that I should feel disgusted. It is time the investing public were given a new deal; otherwise it will be a long time before Canadian enterprises will be financed by selling bonds and stock to the investing public."

The bitterness of this letter is very natural. With such losses it is no wonder that you should feel that you have a right to a very clear report on all past operations and as to the management now and in the future.

We are informed by the sponsors of this company that no bondholder has ever been denied information as to the operations of the company. Nevertheless its investments and speculations were never made public generally and this has led to most justifiable criticism and suspicion.

Though your feeling in this matter is very understandable, we feel that, granted strong and independent management, more could be obtained by continuing the company as a going concern than by liquidation under present market conditions, and possibly under market conditions that may obtain for a number of years. It is up to the bondholders themselves to study the company's proposals and to decide whether or not they are good enough.

Whether or not the company continues as a going concern or shareholders decide on liquidation it will or should be a long affair if most is to be gained and experienced, trustworthy management is essential.

Redeeming Can. West Bonds B. A. Oil

Some months ago you reported that Canadian Western, Natural Gas, Light, Heat and Power Company, are calling for redemption on June 15, their 5% debentures, and you state that these debentures are payable in Canada in dollars at the rate of $4.86 to the pound sterling. I would be glad if you will advise me if this is correct, as we have had other information to the effect that these debentures will be paid in sterling. If possible I would like to have some authentic information as to the terms of payment.

The London Stock Exchange Year Book states that principal and semi-annual interest of the 5 per cent first mortgage debenture stock of the Canadian Western Natural Gas, Light, Heat and Power Company may be paid in London in sterling and in Canada in dollars at the fixed rate of $4.86-2/3 to the pound sterling. The callable feature of the bonds states that they are subject to call at 105 for sinking fund, also as an entire issue at 105 on six months' notice, and are redeemable at par, October, 1936.

Instructions so far issued in connection with the present call by the trustee, however, call for payment at the rate of £105 for every £100 debenture and recent enquiry by The Financial Post of the Toronto registrar and representatives, brought the information that they have not been instructed to pay otherwise than in sterling. We may add that interest has so far been paid at the fixed rate of $4.86-2/3 to the pound sterling.

Brazilian vs. Imperial Oil

I would like to have your advice as to whether or not you would consider selling some Brazilian Traction shares and re-investing in Imperial Oil. I am prepared to hold for an indefinite period.

History of the depression years apparently favors such a change as you suggest because Brazilian Traction, Light & Power Co. has been forced to pay stock dividends and only occasional cash dividends while Imperial Oil has hitherto earned and maintained payments. Both are strong companies, however, well financed and managed and one who tries to choose between either has two entirely different sets of circumstances to consider.

Brazilian Traction's present difficulties are not so much concerned with decline in operating earnings as in the inability at present to transmit those earnings in Brazil into Canadian currency in order to pay dividends. The finances, foreign and domestic trade and exchange of Brazil must again be on a strong basis before shareholders will have the opportunity of fully sharing in the company's enterprises in Brazil. Using coffee, Brazil's chief export, as an indicator, some years will be needed for revival.

Imperial Oil is one of the strongest companies financially in Canada, and is the leading unit in Canada's oil industry. The company is believed in 1932 to have earned its 50c. a share dividend, but as you desire to hold for an indefinite period it must be pointed out that the oil industry the world over is in a demoralized condition. Over-production of crude oil followed by creation of excess refinery capacity, first in the United States and now in Canada, have made the continuance of keenly competitive conditions certain. The company's strong financial position, its affiliations, its management and its able staff of technical engineers make it apparent that this company will be able to compete very favorably. To a large extent it is free from the exchange problem that now hampers Brazilian.

However, 60 per cent of the 50c. a share dividend paid by Imperial Oil comes from its earnings outside of Canada and mainly from International Petroleum. International Petroleum figures are based on the mid-continent prices in the United States and therefore recent declines, and any further declines that may come would affect gross and net earnings of that company, in its production in Peru and Colombia. World demand and world prices affect this company through that subsidiary, but its earnings are not shown separately but consolidated with those of Imperial Oil.

It depends, therefore, on how long the indefinite holding period would be when you consider buying this stock. Over a long period the best-managed and best-financed companies have the best opportunity, but none of them is immune from the effect of world influences.

Canadian Western

I have been offered Canadian Western Natural Gas 6 per cent preferred stock as a desirable purchase. Is it safe and is there good prospect of increased market value in the next five years?

With the redemption on June 15 of $742,173 Canadian Western Natural Gas, Light, Heat and Power Company 5 per cent first mortgage debenture stock due 1936, the $3,500,000 of 6 per cent preference stock will become the senior security. The company is controlled by Dominion Gas and Electric Company through ownership of 94 per cent of $8,000,000 of ordinary stock outstanding. Dominion Gas and Electric is, in turn, entirely owned by American Commonwealth Power Corporation, now in receivership

Net profits of Canadian Western were $529,492 for 1931 as compared with $528,156 in 1932. In 1931 after paying preference dividends of $206,548 and ordinary dividends of $360,000 and transferring $70,000 to capital redemption reserve fund there was a deficit of $124,185 which brought down the accumulated surplus to $254,590. Preference dividends of $6.50 a share were paid out of earnings amounting to $15.13 on each surplus share. Ordinary dividends of $6 a share were paid though earnings were only $4.04 a share. The common dividend was reduced from 6 per cent to 4 per cent per annum in July 1932, and no doubt recognized the lower earnings situation. Deficit in 1932 was $103,004 and accumulated surplus dropped to $176,102.

Working capital position is weak and there was a deficiency of $307,602 at the end of 1932. The sinking fund provision is that from January 30, 1931, there should be set aside annually a sum equal to 2 per cent of the par value of the preference shares, until all outstanding preference shares have been retired by purchase or redemption. The original amount issued of 6 per cent preference stock was $3,500,000, and at the end of 1932 that amount was still outstanding with a reserve of $210,719 for redemption.

The preference stock outstanding in 1925 was $366,200 and it increased rapidly until it became $3,500,000 in 1930. The authorized amount is $4,000,000. The increases financed the company's expansion.

Montreal Power

One of my clients is seeking a security which, in addition to giving him a fairly assured income, possesses some likelihood of appreciation. Would debentures of Montreal Power fill this requirement?

Debentures of Montreal Light, Heat and Power Cons. would, in addition to giving a regular income, have some possibility of capital appreciation in a time of business revival and company expansion. The debentures rank next to the company's first refunding and collateral trust bonds and senior to the common stock on which dividends at the rate of $1.50 a share are presently paid. The debentures are redeemable at par $50 in 1939 but are exchangeable into common stock up to 1937. Any upward swing of the common shares would likely be closely followed by prices for the debentures.

Silverwood's

Could you tell me in what financial condition Silverwood's Dairies Ltd. is? I have some money invested and would like to know if it is safe. It is preferred stock I carry. Is the sale of debentures lowering the preferred stock? Why do the brokers quote such low prices for the shares? Some tell me I will not get any more dividends on the preferred. What is your opinion?

In a recent statement it was indicated that Silverwood's Dairies, from the opening of its present fiscal year on April 2, 1932 to January 5, 1933, had greatly improved its liquid position. Bank advances, which were approximately $200,000 on April 2, 1932, were reduced to less than $15,000 and accounts payable also were lower. Receipts from debentures which were sold on the partial payment plan to customers and others in 1932 and which are still being sold, are being applied to obligations which rank ahead of the preferred stock, and the position of the preferred stock is stated to be better as a result of this and of the reduction of bank loans. Some mortgages and other obligations which were a direct charge on certain of the subsidiary plants, were reduced or paid off.

On the other hand, liquid assets, consisting principally of inventory and accounts receivable after reserve for bad debts, were a trifle higher than on April 2, and the working capital position has been materially improved.

The Financial Post is unable to say what the dividend policy on the preferred stock will be. That dividend is being paid to date, though dividends on the Class A and common stock were discontinued in July, 1932. Profits are less than in the preceding year, but operating expenses are down somewhat.

Shares of dairy companies in the United States and Canada are down somewhat this year as compared with last because the situation is not so good for profits. The business depression, the surpluses of milk made available in the desire of farmers to make the most out of all their possible cash products, and in some places price wars have eaten into profits considerably. Silverwood's area has not been affected so much as some other areas in Canada, but sale of ice cream, an important product of this company, was down in 1932 because of the cold summer. The other dairy products have also not been so profitable.

Cons. Smelters

I have a client with about $2,000 to invest and he is considering a commitment in shares of Consolidated Mining and Smelting Co. of Canada. Are the company's affairs improving?

Any improvement in the situation surrounding Consolidated Mining & Smelting Co. of Canada must depend upon a strengthening in metal prices which, in turn, are dependent upon an improvement in the whole economic situation. Results last year were not encouraging and your client would have to be prepared to take a certain speculative risk in making his proposed commitment. Further, dividend outlook for the stock is unsettled.

Dominion Tar

I have some funds to invest and have considered purchasing some preferred shares of Dominion Tar and Chemical Co. What is the outlook for this company? Do you think the preferred at present prices holds attraction?

Though Dominion Tar and Chemical Co. has widened the scope of its operations substantially in recent years, the company keenly feels the sharp reduction in its creosoting activities, which in the past have been its major source of revenue. The greater part of this work is derived from sales to the railway companies and prospects for an improvement in sales of ties and poles are not encouraging. So long as the railways are faced with their present problems, it is likely that Dominion Tar's earnings will be adversely affected. In 1932 preferred stock earnings were but 17 cents a share; dividends have been deferred since last August. There is little indication that profits will show an improvement in 1933. Under these conditions the present position of the preferred stock cannot be considered impressive.

Canadian Pacific Express Travellers Cheques Are World Currency

Carry them on your next trip and be assured of travel comfort.

Get them from any agent of the Canadian Pacific & most Banks

Chasing Rainbows . . . No!

Granted that security prices were never more discouraging and that "receivers" are busy . . . the fact remains that there are still some able Canadian business men directing affairs for companies which are making profits even in these times. The securities of these latter companies are on the bargain counter for those who have the courage to buy them . . . and the patience to hold them.

Frankly, we would not buy them in the hope of an immediate spectacular rise in price. No magic wand is going to wave them up overnight. We have, however, investigated the position of Canadian companies whose obligations are on the bargain counter; and, to those who may be interested, we shall be glad to send purchase recommendations and give suggestions for the strengthening of your holdings. If you wish us to do this for you, write to us.

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Canada Permanent accumulative bonds with interest at 5% per annum compounded half-yearly offer an attractive opportunity for the safe and remunerative investment of sums large or small.

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Amazing NEW GUARANTEE

Year after year Firestone has led the way in giving car owners extra tire values to save them money. Now, Firestone gives you an amazing new guarantee which fully protects you for twelve months against any condition that may render a Firestone Tire unfit for further use as a result of blowouts, cuts, bruises or any other road hazard excepting punctures or running the tire flat.

For this alone it would pay you to buy Firestone—but, in addition, Firestone is the only tire that can give you all these extra values:

1 TWO EXTRA CORD PLIES UNDER THE TREAD—gives 26% extra protection against punctures and blowouts and make the tire safe at any speed.

2 GUM-DIPPED CORDS—each cord coated and insulated with rubber to prevent internal heat and friction. Gum-Dipped cords have 58% longer flexing life;

3 BALANCED CONSTRUCTION—holds the tire on the road at high speeds and assures you of long, even wear;

4 NON-SKID SAFETY TREAD—made wider, deeper and of toughest rubber to give 25% longer non-skid wear.

As a result of these extra features, Firestone Tires give 25%—40% longer tire life—at no extra cost.

Get your full money's worth—insist on Firestone and know that you are getting the most in mileage and safety. See your nearest Firestone Dealer today.

Lower Priced Tires

If you want a low-priced but dependable tire, ask for the Firestone-Oldfield—costs approximately 20% less than, but is the equal of, most first line tires. Made by Firestone and guaranteed for twelve months.

Firestone High Speed TIRES

EIGHT INDUSTRIES GET HIGHER RATE FOR COMPENSATION

But Six Groups in Ontario Will Pay Less in 1933

Eight industrial groups in Ontario will pay slightly higher compensation rates for 1933 while six industries will pay somewhat less, according to provisional 1933 rates published this week by the Workmen's Compensation Board of Ontario.

In the lumbering industry, the rate for logging, woods operations, and so forth, not specifically mentioned in the act will pay a provisional rate of $5 per $100 of payroll against $4.50 a year ago. The rate for saw mills, shingle mills, cooperage and veneer plants and so forth is raised from $3 to $3.50. The special rate for small industries where the payroll does not exceed $10,000, etc. in the logging and lumber mill group, is dropped from $9 to $8 while the special rate for pulp wood logging or woods operations with a payroll not exceeding $10,000 is cut from $6 to $5.50. Slight reductions are also made in the rate for pulp and paper mills and for pulp mills and mills manufacturing fibre board.

Mining Changes

In the mining field, the general rate for gold mining properties—is increased from $2.50 to $3 per $100 of payroll while the rate for mining plants not otherwise specified is $3 as compared with a former rate of $3.50. Nickel refineries will pay a slightly higher rate at 80 cents per $100 of payroll.

Two other important changes are an increase from 50 cents to 75 cents in the rate for rolling mills or steel works with blast furnaces and an increase from $1 to $1.25 for iron smelting plants with blast furnaces. Flax mills pay a slightly higher rate at 60 cents while a gain of 5 cents per $100 of payroll to 25 cents is shown for rubber tire and belting plants. Printing and publishing plants including incidental job-work get a decrease of 5 cents to 15 cents.

The three most expensive or hazardous risks on the compensation roster are carrying of freight by airship or plane, the wrecking of buildings and window cleaning—all of which bear a rate of $10 per $100 of payroll.

LOSS REPORTED BY LAPRAIRIE CO. FIRST 5 MONTHS

New Company Represents Reorganization of National Brick

From Our Own Correspondent

MONTREAL. — First financial statement of The Lapraire Co. Inc., covers a period from August 1, 1932, to December 31, 1932, and reveals an operating loss of $19,315. To this is added $7,285 interest on bank loans, making a total deficit for the period of $26,600.

Lapraire Co. was formed last year as a merger of the National Brick Co., of Laprairie, and the Delson plant and Montreal business of the Cooksville Co. During the period under review, the company's manufacturing operations, it is stated, were restricted by reason of the very adverse conditions prevailing in the building trade. No. 5 plant, at Delson, was operated during approximately 3 months; No. 2 plant, at Laprairie, during about two months. Volume of sales during the period was lower than the combined sales of the two predecessor companies during the corresponding period in any previous year.

Lacks Working Capital

Balance sheet shows a lack of working capital, current liabilities totalling $383,074 against current assets of $251,229, leaving a deficiency of $131,845. This condition is attributable to bank loans of $34,000, which are secured by $500,000 of first mortgage bonds. In current assets, cash totals $13,397, and inventories amount to $187,878. Fixed assets are carried at $5,110,120, against which a depreciation reserve of $1,819,271 has been set up, leaving net fixed assets at $3,290,848. Other assets include properties and mortgages, less reserves, at $25,000 and investments of $4,963.

In liabilities, capital structure comprises $500,000 of 6 per cent class "A" preferred, $1,562,500 of class "B" six per cent preferred, and 98,690 shares of no par common stock, carried at $493,450. After reduction of profit and loss deficit, capital surplus is carried out $63,357. A reserve of $6,550 has been set up for cost of acquiring preferred and common shares of National Brick Co.

In his report to shareholders, Edward Fitzgerald, president of the company, states that detailed plans for co-ordination of the various plants are being worked out, so that they will be in completed form to be put into effect when normal conditions again prevail. He adds that the outlook in the building trade is still obscure.

National Union Indemnity Will Ask Return of Deposit

National Union Indemnity Co. has withdrawn from Canada and has reinsured its Canadian business with the Canadian General Insurance Co., Toronto. Accident, liability, plate glass and burglary lines have been reinsured as of March 21, 1932, and automobile lines as of Oct. 15, 1932.

Application will be made to the Minister of Finance, on or after April 29, 1933, for the release of the securities on deposit with the Receiver General. Any policyholder opposing such release should file his opposition thereto with the minister on or before April 29, 1933.

Live Cattle Bear Trade Mark

For the first time in the history of Canada, live cattle will go to market this spring with a registered trade mark stamped on each animal — an "R. L." in a six-inch circle, in red paint, meaning Red Label. This is a Federal Government trade mark which will denote high grade beef. The Red Label Beef Association of Southern Alberta has been organized to use the trade mark, which has been used with dressed beef for some time.

Insurance for Buyer and Seller

METROPOLITAN RANKS FIRST IN ORDINARY

New Life Insurance Paid For in 1932 in Canada $80,000,000

RANKING SHOWN

Records of Firms Doing Business in Canada in Past Year Analyzed by Post

Metropolitan Life Insurance Co. carries off the 1932 palm as the company which paid for most new ordinary business in Canada in that year, according to data compiled this week by The Financial Post from preliminary figures released by the federal insurance department.

The largest insurance and financial institution in the world this company has operated in Canada for over 60 years and last year came within $200,000 of carrying away ordinary honors from Canada's largest insurance institution —Sun Life of Canada. This year it wins the honor by a considerable margin, having paid for nearly $80,000,000 of new ordinary business in Canada in 1932 as against $54,000,000 for Sun Life and $43, 700,000 for London Life which this year climbed from fifth to third place.

Sun Has Most in Force

Sun Life still tops all companies in the Canadian field on the basis of total ordinary business in force, however, its figure of $696,000,000 at the end of 1932 being substantially above the $577,461,000 which Metropolitan boasts in this country. Great West Life ranks third on this basis with Mutual of Canada fourth and Canada Life fifth.

Several companies made good gains in the new-ordinary-business-paid for ranking for 1932. London Life now stands in third place according to the Post analysis having risen from fifth place a year ago on this basis. Prudential of America has come up from sixth to fifth place although in total ordinary business in force it still ranks eighth. Manufacturers Life moved from eighth to seventh place. Particularly good gains were made by Prudential of London and the Sovereign Life of Winnipeg. Other to gain as to ranking on the basis of new ordinary paid for business, were National Life, Northern Life, Standard and Western.

Nearly $500,000,000 Paid For

Total ordinary business paid for in Canada during the year by federal licensed companies was $498,-750,000 a decline of 17 per cent from the corresponding figure of 1931. This percentage is almost identical with preliminary figures published in monthy sales figures of the Sales Research Bureau of Hartford which reported a drop in ordinary sales in Canada and Newfoundland of 17.4 per cent. The Sales Research figures include the business of 15 leading companies which have approximately 84 per cent of the total business in force in these two countries.

Total ordinary business in force at the end of 1932 is shown for federally-licensed companies at $5,177,363,000. This is a drop of approximately $102,000,000 from the peak figure achieved in 1931. When it is realized that in addition to this loss of business of force, new ordinary business paid for was almost $500,000,000, it is apparent what a heavy mortality life companies had to face through cancellations surrendered, lapsed policies and so forth.

The comparative figures for all companies writing in Canada (under federal license) during 1932 follows:

ORDINARY BUSINESS IN CANADA
(Federal Licensed Companies Ranked in Order of New Ordinary Business Paid For in 1932)

	Gross New Business Paid For 1932	1931	Net Insurance in Force Dec. 31, 1932
	$	$	$
Metropolitan	79,881,196	89,064,247	577,461,726
Sun	53,908,100	89,272,757	695,783,489
London	43,727,544	38,709,610	283,332,003
Mutual of Canada	40,113,206	45,901,205	471,471,056
Prudential of America	34,122,158	36,493,377	225,752,010
Great West	29,270,922	39,961,998	481,983,094
Manufacturers	25,978,705	28,704,635	270,332,778
Canada	24,427,379	33,052,214	356,872,845
Confederation	20,491,879	23,675,124	207,275,621
Imperial	16,801,186	20,044,593	214,631,143
North American	15,867,374	18,230,618	164,545,271
Dominion	14,837,938	17,108,167	130,766,877
Crown	11,710,790	13,304,941	103,508,049
Excelsior	10,185,783	12,050,460	87,703,643
Travelers	9,038,966	11,300,610	105,017,841
New York Life	8,863,600	10,906,200	184,283,254
National	7,147,930	7,588,661	53,060,789
Montreal	6,337,851	8,005,646	33,129,712
Monarch	4,902,500	6,024,500	54,054,000
Northern	4,083,135	4,588,682	44,916,908
Aetna	4,050,386	5,240,150	51,322,508
Prud. of London	3,283,751	2,569,780	5,683,321
Continental	3,732,784	4,242,109	35,777,697
Sovereign	2,915,584	2,290,107	25,321,000
Sauvegarde	2,717,808	3,959,660	26,006,524
Mut. of New York	2,569,998	5,649,107	74,186,340
T. Eaton Life	2,531,001	3,526,877	23,669,456
Standard	2,096,109	2,167,107	29,659,926
Capital	2,087,346	2,501,805	16,744,826
Royal	1,607,617	1,878,141	23,407,331
Western	1,512,010	1,269,600	8,077,694
Dom. of Canada	1,460,839	1,380,415	6,379,038
Maritime	1,163,928	1,520,289	6,479,275
Saskatchewan	1,015,413	850,656	9,888,665
Mut. and Citizens	875,608	2,526,180	15,938,626
London & Scottish	852,829	1,115,848	15,263,496
Commercial	849,233	1,159,113	7,879,880
Royal Guardians	466,200	573,000	3,306,222
Phoenix of London	382,500	166,500	6,200,969
Union Mutual	329,500	386,650	6,576,855
Occidental	296,000	840,200	8,162,196
Total, 1932	498,749,531		5,177,363,610
1931	600,269,437		5,279,292,777
1930	672,294,919		5,156,222,409

Sun Life Assurance Earns 4.22 per cent

Sun Life Assurance Co. of Canada reports interest earnings on mean invested assets of 4.22 per cent during 1932, according to information given The Financial Post this week. This compares with 5.13 per cent earned in 1931 and 6.44 per cent the previous year.

The figure is calculated on the basis required by the federal insurance department at Ottawa and is comparable to corresponding figures published for other Canadian companies in the annual review of life insurance (March 18 issue).

In the past ten years (and including the 1932 rate) the company's earnings have averaged on the blue book basis, approximately 6.22 per cent on mean invested assets.

21 COMPANIES INCREASE SALES OF ANNUITIES

Canada Life Leads Way in 1932, Federal Figures Show

Canada Life Assurance Co. ranked first among life companies doing business in Canada in respect to annuity business in 1932 according to figures compiled by The Financial Post from data released this week by the federal insurance department at Ottawa. Canada Life annuity receipts in Canada in 1932 were over the million dollar mark compared with $833,000 in 1931.

Total consideration for annuities from Canada and abroad by the Canada Life amounted to $7,800,-000 as compared with $7,400,000 received by the second ranking company—Sun Life of Canada. A year ago, Sun Life was far in the lead with over $23,000,000 of annuity income to its credit for the year.

21 Companies Gain

Out of 28 companies licensed at Ottawa and which reported income from annuities in 1932, no less than 21 showed gains as compared with 1931, the figures reveal. This record indicates clearly the growing popularity of the annuity although due to a lower income reported by Sun Life—whose figures were largely responsible for the totals in 1931 and previous years—total monies received both in Canada and by Canadian companies selling annuity contracts abroad, were lower than in 1931.

Sun Life still retains its position as the largest Canadian seller of annuity contracts outside Canada while Canada Life ranks second having made a substantial gain as compared with the previous year. Confederation, Manufacturers and Imperial all reports substantially improved income from this source during the year due to the attractive contracts which these companies were able to offer in England as compared with British companies.

Comparative figures for annuity income in Canada of all companies and annuity income received from abroad by Canadian companies, follow:

CONSIDERATION FOR ANNUITIES
(Including Group)
(Federal Licensed Companies Ranked in Order of 1932 Business)

	1932	1931
(a) In Canada	$	$
Canada	1,034,248	833,174
Metropolitan	540,396	384,904
Sun	391,786	1,389,709
London	180,373	119,141
Confederation	154,412	126,688
Mut. of Can.	141,103	154,348
North American	123,506	100,800
New York	70,238	64,981
Monarch	67,995	11,921
Travelers	60,797	6,250
Prud. of Am.	49,248	775
Manufacturers	48,794	27,143
Great West	36,059	10,570
Prud. of London	16,719	3,813
Northern	15,299	12,141
Standard	15,172	89,245
Sovereign	15,030	......
Dominion	14,444	9,507
Crown	10,165	5,163
Imperial	9,245	10,000
Aetna	8,482	10,373
Equitable	7,430	6,258
Maritime	5,000	......
Montreal	2,776	14,694
Mut., N. Y.	2,776	14,694
Saskatchewan	1,704	731
National	306	160
Continental	30	3,563
Total, 1932	3,026,518	......
" 1931	3,404,341	......
" 1930	2,165,559	......
(b) Out of Canada		
Sun	7,058,837	21,692,924
Canada	6,737,110	4,818,883
Confederation	1,535,997	792,230
Manufacturers	407,546	114,989
Imperial	101,447	......
Crown	20,122	4,429
North Amer.	7,099	4,729
Great West	5,715	500
Total, 1932	16,562,906	......
" 1931	28,120,604	......
" 1930	23,062,450	......

GROUP SALES TOTAL $18,000,000 IN PAST YEAR

Sun Continues to Write Largest Volume in Canada

New group insurance paid for in Canada in 1932 dropped back to 1924 levels according to figures released by the federal insurance department this week. The 1932 total was $18,051,000 as compared with $41,800,000 the previous year and $63,647,000 in 1930 which marked the high point in group sales in this country since the post-war peak of 1920. Total of group insurance in force dropped nearly $30,000,000 to $468,620,000.

Sun of Canada leads all companies writing this type of business in the Dominion both as to volume of new business paid for and total business in force, according to an analysis made by The Financial Post of the figures released from the federal insurance department at Ottawa this week. Metropolitan Life ranks second in new business paid for while third place this year goes to Montreal Life which broke into front ranks by writing six new group contracts for a total of $2,256,796.

Mutual Shows Gain

Mutual of Canada was another company to write more group business in 1932 than a year ago which brings that company into seventh place on the basis of total gross new group business paid for in Canada in 1932. Mutual of Canada ranks tenth on the basis of total group business in force in Canada, according to The Post compilation. Two other companies which had no group contracts to their credit in 1931 but which wrote business in 1932 were Commercial Life of and the Crown Life of Toronto.

The ranking of the various companies in order of gross new group business paid for in Canada in 1932, according to The Financial Post, follows:

GROUP BUSINESS IN CANADA
(Federal Licensed Companies Ranked in Order of Gross New Business Paid for, 1932)

	Gross New Business Paid For 1932	1931	Net Business in Force in Canada Dec. 31, 1932
	$	$	$
Sun	3,566,975	9,931,745	177,863,101
Metrop.	2,500,359	6,494,196	67,412,964
Montreal	2,256,796	558,250	2,526,171
Canada	1,783,750	6,361,675	62,207,053
London	1,440,417	4,144,249	34,090,525
Confed.	1,242,167	5,572,200	15,961,008
Mut. of Can.	1,208,250	1,072,434	6,798,255
Prud. of Am.	1,188,000	2,460,196	11,971,641
Aetna	766,500	902,000	30,068,600
Travelers	617,500	1,081,950	22,531,846
Great West	462,000	1,004,500	17,482,157
Commercial	427,000	......	2,162,500
North Am.	160,315	834,000	2,511,482
Crown	139,980	......	492,480
Imperial	88,500	325,500	1,909,500
National	77,000	335,000	532,500
Dominion	60,000	494,500	1,174,250
Manuf.	23,000	17,000	4,871,034
Dom. of Can.	22,000	27,000	289,225
Sask.	21,000	96,000	115,000
Northern	......	9,300	2,330,550
Continental	......	36,000	72,000
Ttl. 1932	18,051,509	......	468,620,637
" 1931	41,763,694	......	497,748,252
" 1930	63,647,613	......	481,807,456

FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE
BRITISH EMPIRE ASSURANCE COMPANY
HEAD OFFICE · TORONTO

Licenses Issued

During the week ended March 21, certificates of registry were issued to the following companies:

Western Assurance Co., authorizing it to write steam boiler insurance in addition to the classes for which it is already registered.

Liverpool & London & Globe Insurance Co., authorizing it to write steam boiler and forgery insurance in addition to the classes for which it is already registered.

Insurance Inklings

J. N. MERTZ, formerly manager of the Montreal-Metcalfe branch of the Sun Life Assurance Co. has been appointed manager at Calgary for that company.

FRED KEHN has been appointed manager at Hamilton, Ont., for the Mutual Relief Life Insurance Co., Kingston, Ont.

Mutual Life Assurance Co. of Canada held a convention for its leading Nova Scotia underwriters in Halifax, N.S., on March 9 and 10.

WALTER C. REAN, manager of the London, Ont., agency of the Sun Life Assurance Co. was the feature speaker at the March meeting of the Life Insurance Managers Club of London. Mr. Rean talked on the preliminary instruction given to life underwriters.

5% Instalment Savings Certificates
"Any kind of saving is good but systematic saving is better. Write for particulars to
CONSUMERS FINANCE LIMITED
Head Office — Ottawa, Canada

Surplus of Western Assurance Maintained Despite Write-offs

Improvement in underwriting results and drastic revaluation of securities to bring them into line with present day conditions features the 82nd annual report of the Western Assurance Co. of Toronto.

Net premiums written are lower by 10 per cent at $4,029,222 while an underwriting loss on all business of $51,618 in 1931 has been reduced this year to $3,515. Ratio of losses incurred to premiums earned is approximately 58 per cent as compared with 61 per cent in 1931. Analysis of underwriting accounts reveals an underwriting profit on automobile business of $35,702 (the corresponding figure a year ago was a loss of $31,675) and underwriting losses in both fire and marine.

Operating profit for the year was $84,188 out of which preferred dividends of $36,000 were paid. No common dividend was declared during the year. The company then transferred out of surplus a sum of $116,78 to provide for depreciation in securities and also made a write-off of $192,434 against book values. Surplus at the end of the year stands at $2,216,182 against $2,284,-774 the previous year in addition to which the company has left untouched a special contingency reserve of $500,000.

Assets are lower by $200,000 due to write-offs against security values which were offset on the liability side by lower reserves for unearned premiums due to a lower volume of business having been written during the year. Cash in bank totalled $1,173,000 and bonds and debenture holdings $3,651,000 and common and preferred stock, $1,569,000. The latter are taken in at values allowed by the federal insurance department.

The company reports the retirement from its London Advisory Board of Sir Charles Johnston and the election of Sir James A. Cooper. W. A Miles, who retired in June, 1932, from the active management of the company's London branch is also appointed to the London Advisory Board.

GLOBE & RUTGERS COVERS LIABILITIES IN THIS COUNTRY

Manager Issues Statement Covering Position of Canadian Business

From Our Own Correspondent

MONTREAL — Financial difficulties of the parent company—Globe and Rutgers Fire Insurance Co. of New York— have brought in their wake disquieting rumors regarding the ability of the company to take care of its obligations in Canada where this company handles a substantial volume of business.

In order to allay any fears there might be regarding the company's ability to cover its obligations in Canada, J. W. Binnie, manager, has made a pubic announcement to the effect that the company has ample securities in Canada to meet all obligations.

List Assets Here

A list of the securities held in Canada is published by Mr. Binnie. It includes: Dominion of Canada bonds, $927, 030; United States of America bonds, $41,600; Lachine School Commissioners bonds, $53,040; and Canada Permanent Mortgage Corp., bonds, a total of $1,071,670.

Statement of assets and liabilities in Canada as at December 31, 1932, follows:

Assets	
Market value bonds on deposit with the Receiver General for the protection of Canadian policyholders	$1,071,670
Cash on hand	7,675
Cash in banks	275,429
Interest accrued	9,901
Agents' balances on business written, subsequent to October 1, 1932	177,446
Total	$1,542,121
Liabilities	
Provision unpaid claims	$ 90,361
Net reserve unearned premiums	510,938
Taxes due accrued	31,579
Re-insurance premiums due and unpaid	1,730
All other liabilities	26,396
	$ 661,004
Excess of Assets over Liabilities, $881,117.	

The official statement issued by the federal insurance department Ottawa, says:

"The Department of Insurance here has been advised by the Superintendent of Insurance for New York that by order of the court, with the consent of the board of directors of the Globe and Rutgers Insurance Company, he has taken possession of that company for the purpose of rehabilitation, if possible, and conservation of its assets.

"Under the provisions of the Insurance Act of Canada applicable to that company, a deposit is required to be maintained with the Minister of Finance to protect Canadian policyholders and at the present time this deposit, taken at current market values, is substantially in excess of the full unearned premiums, outstanding losses and other liabilities on its Canadian business."

Established 1869
Strength • Stability •
Assurances in Force (Dec. 31, 1932)..$517,967,974.00
Assets $132,198,392.72
Surplus Funds and Contingency Reserves, $11,-853,105.72
A Purely Mutual Company
Every dollar of surplus earnings belongs to policy-holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.
THE MUTUAL LIFE Assurance Company OF CANADA
HEAD OFFICE – WATERLOO, ONT.

BRIT. AMERICA MAKES PROFIT IN PAST YEAR

Underwriting Profitable But Surplus Lower After Security Write-offs

Net underwriting profit of $18,-519 and a total operating profit (before security write-offs) of $38,246 is reported by British America Assurance Co. in its 99th annual report issued this week. Corresponding figures for 1931 were $19,210 and $44,445 respectively. Net premium income is lower by 12.6 per cent at $2,465,856.

After revaluing securities and reporting them at book values allowed by the federal insurance department, the company provided a depreciation charge of $79,987 out of the year's operations and reports a net surplus at the end of the year of $1,454,420 as compared with a corresponding figure of $1,496,160 at the end of 1931. Total assets are shown at $4,658,000, a drop of $163,-000 from 1931, the company having taken advantage of a lower premium volume and correspondingly lower unearned premium reserve, to readjust security holdings on a basis involving a book loss of $111,317.

Casualty Business Profitable

Underwriting accounts show a loss ratio for the entire business on an earned basis of 54 per cent. Underwriting profit of $53,600 for the year was shown in the casualty field, while underwriting losses of $18,876 and $16,204 respectively were recorded in both fire and marine business. This is a reversal of the company's 1931 experience when profits were made in fire and marine and a loss in casualty business.

Of total assets, $1,,688,000 is invested in common and preferred stocks and $1,918,000 in bonds and debentures. Cash in bank totalled $405,000. No dividends have been paid on the company's shares for two years now, the last payment being at the rate of 16 per cent in 1930.

Attention is drawn in the report to the fact that on February 13, 1933, the company completed 100 years of existence and "is one of a very few Canadian companies of that age." In the period the company has paid out $71,487,789 in claims.

Confidence and Satisfaction

Applications for new assurances were received by the Sun Life Assurance Company of Canada at an average rate of more than One Million Dollars for every working day of 1932.

During the same period, the Company paid out to policyholders and beneficiaries more than $360,000 for every working day.

Of the applications for new business in Canada, about forty per cent. was from persons already holding policies in the Sun Life.

Sun Life Policyholders are both SAFE and SATISFIED

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

THE ONTARIO EQUITABLE — PROTECTION
LIFE AND ACCIDENT INSURANCE COMPANY
HEAD OFFICE WATERLOO ONTARIO
The satisfaction policyholders have in their contracts with this Company offers the basis of opportunity for its representatives. Assets exceed $8,200,000.

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Winnipeg, Man.
Branch Offices:
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CALGARY VANCOUVER

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
HEAD OFFICE FOR CANADA
HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

Sound Management For Sound Insurance

For 49 years, through major disasters and economic upheavals, this Company has adhered to its original sane, conservative business policies... providing unfailing security for policyholders and prompt settlement of claims. Reinsurance through Lloyds of London, England, and a deposit with the Federal Government are still further security.

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More people than ever before bought London Life policies last year.

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When you purchase London Life participating insurance, you share the advantages of unexcelled security, with a high scale of dividends to policyholders. There is a policy to fit your individual circumstances.

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HEAD OFFICE - LONDON, CANADA

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Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00
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A STRONG CANADIAN COMPANY

Should Keep Our Dollar At About Present Level

Economy in Gov't Expenditures, Cut in Interest Rates, Foreign Confidence in Canadian Dollar Needed to Maintain Stability; Must Await World Conference

By J. P. DAY
Professor of Economics at McGill University
Address to Canadian Club of Toronto

Of the countries which still maintain freedom of currency exchange, Canada is in an entirely unique position. Apart from Canada, these countries fall into two groups. There is the group which includes England, Egypt, India and the Scandinavian countries. This is the sterling group and their monetary policy is to maintain the purchasing power of their monetary units at a level which best suits their economic welfare. Under normal conditions, this would mean that England would keep the purchasing power of the pound stable and the other countries would endeavor to keep steady their foreign exchange with sterling.

Gold Countries

The second group consists of the so-called gold countries: Holland, Belgium, Switzerland, France and the United States. Their monetary policy is to keep the purchasing power of their monetary unit equal to that of the amount of gold it represents and is usually exchangeable for. Since gold has appreciated in value some 30 per cent since September, 1931, their money has been rising in value and their commodity prices have been more or less correspondingly falling. The assurance and proof that their money was equal to gold was the unrestricted right of redemption at par, but now that the United States has not only stopped redemption but has even gone so far as to threaten with fine and imprisonment those of her citizens who had exercised that legal right, faith, for whatever it was worth, in redemption as a guarantee will surely have gone forever. The only faith remaining is that the United States will so manage its currency that the dollar will maintain its parity value with gold.

Both groups, therefore, have managed currencies: the sterling group aiming at stability of purchasing power, and the gold group aiming at following gold wherever it goes.

Practically midway between these two groups is one lone country, our own, Canada. Why are we there? Is it as the result of our monetary policy? Have we any sort of management that is responsible for that position? To some small extent, yes. The embargo on gold exports, except under license, cut us off from gold, but once that action was taken, the subsequent position seems to have been due rather to economic forces than to any conscious management. Our trade with England and the Empire pulls us toward sterling; our trade with the United States pulls us toward gold. We drift in between.

Do We Want to Drift?

The point is, do we want to drift? One answer to that may be that whether we want to or not, we cannot help it, as we have not developed in this country the necessary mechanism for controlling our fate. I am not, however, today to deal with how this necessary mechanism can be obtained and on that point I will say only that, while we may not need in Canada to introduce some imitation of a central bank, we do, in my opinion, need some additional means of achieving what a central bank is supposed to achieve: a leadership in formulating a monetary policy which shall be in the interests of the whole nation and an effective power to enforce it.

What we want to discuss today, however, is what should our monetary policy be? There are only four possible ones and only two, I think, worth consideration. We might go back to gold by deflation. The country could not stand that. We might get back to gold by devaluation, either at the existing discount or, according to Dr. Leacock's plan, by devaluing even further. I should like to speak at length on these but time only allows me to say that until the future of gold is a good deal less uncertain than it is, I see no advantage in returning to it. We are left, therefore, with the policy of drift, going on as we are for a time, or the policy of inflation, reducing our money to either the sterling level or whatever other level suits us.

Inflation Blow to Poor

Now the simplest and most characteristic form of inflation is the printing of additional fiduciary money by the Government. Its ultimate effect is to reduce the purchasing power of every dollar in the country. It is, of course, absurd to suppose that you can have inflation without a rise in commodity prices. When England went off the gold standard in 1931 it is sometimes said that prices did not rise. They did rise compared to gold and, had gold prices not fallen some 30 per cent, English prices would have risen in actual figures. Inflation, indeed, is a hidden tax on all who hold or receive cash. Notice that it is equally a tax on the poor man's dollar as on the rich man's, and that it is not a tax on any of the rich man's wealth except what he holds as actual cash in his pocket or on deposit with his bank or has out in money loans. It is no tax on his property or any capital except liquid capital. In so far as the new additional money is spent on wages to the unemployed, it will be the prices of necessities that will rise first and most, and that means that the tax will tend to bear in reality even more heavily on the poor man's dollar. Inflation comes perilously near to being a scheme for providing work for the unemployed out of the wages of those now working and out of the smaller salaries of the middle class. If the wealthier citizens of Canada were as selfish as by a few they are sometimes alleged to be, they would welcome inflation. Another obvious unfairness would be to those whose wages or salaries have already been reduced. I doubt whether we do well to welcome at this time any additional taxation: it is Government economy which we and all countries need. All governments have been debauched by the influence of the tremendous expenditures of the war period. But if we have to have additional taxation, do not let us have it in the hidden and unjust form of inflation.

Answer to Inflationists

The answer of the inflationists—or at least of those of them who know what they are talking about—is that, unpleasant and unequal though this hidden taxation must be, it would start up production and employment again. Business would become profitable because of higher prices, while the costs of production and particularly wages would remain nominally the same but in reality lower. The essence of the plan is that inflation is a quick and universal method of reducing, in the way least likely to arouse opposition, all wages and salaries, and thereby rendering business profitable again. Added to that is the really valuable point that inflation lightens the burden for all debtors, and that is so important and so necessary that it would outweigh all other considerations, but for one reason. If this country were an isolated country with no foreign trade and no foreign debts, I should be an inflationist. I am inflationist for the world at large. I do not think we can restore prosperity without a general rise in the price level of commodities. But, for Canada to pursue in isolation, or even to dally with, a policy of inflation would be a fatal mistake today.

One of the forms which modern economic disease takes is panic flights from currencies. We have seen, to mention only a few, flights from the mark, from the franc, from sterling, and at times tremendous selling of the American dollar. If there was any evidence of the Canadian dollar being about to depreciate as the result of a probable government policy of inflation, many foreigners would withdraw their funds from Canada and the accompanying fall in the exchange would cause a flood of selling of Canadian securities and Canadian money. Our securities would slump on the stock exchange and our money would slump on the foreign exchange until the government would have to interfere to prohibit all foreign exchange except under license, and what is left of our foreign trade would vanish. That this is not fanciful is shown by the reaction on the foreign exchanges of the government's little escapade of inflation of some 30 million last November. It is shown by the fact that the mere talk and fear of inflation, coupled with some doubt as to how we are to meet our foreign commitments this year and how the very large contingent liabilities the Dominion Government has been assuming will work out, has depressed the external or exchange value of our money a good deal below its true value as shown by its purchasing power at home.

Value of Money

What should fundamentally determine the value of money is its purchasing power over commodities. The money unit which will purchase most should be worth most. In 1926 our dollar was at par with that of the United States. Since that year their dollar has increased in purchasing power as commodity prices have fallen from 100 in 1926 to 63 at the end of last year. Our dollar has increased in purchasing power almost exactly to the same extent as our commodity price index number was 64 for last December. If our money, therefore, has maintained its parity of purchasing power, why has it lost its parity on the exchanges?* It is largely because foreigners fear we cannot hold the position, and the basis for their fear is partly the agitation for inflation and partly the half-hearted attempts at Government economy. The reason why we have to pay more than we should in repayment of our obligations in the United States and for our imports thence, and why we sell our exports at less than we ought to get is the premium on New York funds and that premium largely exists because of these two factors: the agitation for inflation and the inability of the government to face the realities of the financial situation. For neither of these factors are the banks or the banking system to be blamed.

If then we reject inflation as a monetary policy, we are left with the policy of drift, what Mr. Rhodes calls "allowing the dollar to find its own level." It is not perhaps fair to call it "drift": one might describe it as a policy of avoiding any action obviously silly or risky or likely, in the light of what the world economic conference will achieve, to prove premature and unnecessarily troublesome. The main fact which emerges, and on which there is now general agreement, is that the only cure for economic distress is a general world rise in commodity prices and that this can only be brought about by international co-operation.

Policy for Canada

Our own immediate policy should be to keep our dollar whereabouts it is: strengthening the underlying factors by strict economy in public expenditure and by a reduction of all interest rates both on deposits and on loans, seeking to maintain foreign confidence in our dollar but ready also to check any developing tendency to a rise in value that might prove awkward and upsetting. This waiting policy is putting a great strain on our people's patience but I am sure it is unavoidable. Perhaps you remember the lines in Punch a few months ago:

"Statesmen, why do we go so slow?
'World-causes.'
"Why are commodity prices low?
'World-causes.'
"Why do they moan on every mart?
When is the boom arranged to start?
"What are we waiting for, O my heart?
'The World Economic Conference'."

Must Await Conference

That is true. For any real improvement we must wait for the conference; the disease is international and the cure must be. The country which will come best out of these distressful times is the country whose citizens will keep their heads and their sense of social solidarity—with all that that implies — and will not be driven by desperation into panic legislation or economic follies. During these last three long evil years the people of Canada have manifested splendid spirit of patience, forbearance, and fortitude and they will not be without their reward.

* Index number of wholesale prices in Canada at Feb. 28, 1933, was 63.9 in comparison with 1926 = 100. United States index was 59.8. Therefore U. S. dollar had a purchasing power of 6.86 per cent more than Canadian dollar at Feb. 28, based on these indices.—Editor.

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Bank Chat on Current Topics

Payment in Bank Notes

A BANKER in a small Canadian centre received an unusual request recently. A customer decided to withdraw his balance in cash, and he asked the banker to hand over the total amount of his account, some $12,000.

Naturally the branch manager did not want to lose the account, and he tried to get the client to change his mind. It didn't work. So the banker handed the customer $12,000 in notes of the bank. "No thanks," said the customer, "I want Dominion notes."

"But you must realize that we don't carry that amount in Dominion notes in small branches," the banker explained.

The customer, upon being informed that it would take a couple of days to get the $12,000 in Dominion notes, signified that he would wait until they arrived.

In due course, the branch received the requested bundle of Dominion notes. They were proffered to the customer. Thereupon he changed his mind. "I guess it's all right," he said, "you keep it."

* * *

ACCORDING to the Bank Act, the banker only needed to pay out $100 in Dominion notes and the remainder in bank notes to comply with the law. The Bank Act does not appear to state definitely that all bank notes are redeemable in Dominion notes. But it indicates that they are "redeemable," which of course, implies Dominion notes. Banks have to maintain agencies for redemption of their notes wherever the Department of Finance has offices for redemption of Dominion notes. To enforce his legal right to Dominion notes, the customer would have to go to the agency of the bank at a point where an assistant-receiver general's office was located. The bank really performed this service for him, in this case.

Bank notes are not legal tender under the Bank Act. But they are absolutely good. They are not guaranteed by the Dominion, but they are guaranteed jointly by all the banks through the circulation fund. They are also secured by deposits in the central gold reserves, Ottawa, and in addition are a first charge on bank assets.

* * *

A Gem for Bankers

SOMETIMES, but not often, one sees something striking in the correspondence columns of the daily papers. We cull the following gem for bankers from the Nelson, B.C., News:

"To the editor:

"Sir—In view of the fact that Canadian banks have remained solvent during a period when thousands of banks closed in the 'richest country on earth,' I think it is fitting that I, on behalf of countless thousands of satisfied depositors, should express our gratitude to our bankers for the integrity, wisdom and courage they have displayed in handling our nickels and dimes, which in the aggregate, furnish the bulk of the money in the country. . . .'

"Our banking system and our security has been envied and admired by our panic-stricken neighbors . . . . Eminent bankers and financiers all overlook the fact that the small depositor has absolute faith in the soundness of our banks and the wisdom of their methods.

"This sense of security is partly the result of a prolonged holiday on bank failures in Canada but much more so on account of the fact that the strength of our banks is enhanced by the small calibre of the petty persons who are constantly attacking our banks. We feel perfectly safe so long as we hear constant complaints from chronic grumblers that they cannot borrow money to pay their debts, buy a new car or stage a wild party. Whenever every cheap chiseler or half-baked optimist can rush into a bank and get whatever he wants by merely signing on the dotted line, we depositors are going to bank in a sock or the old china teapot.

"Personally, I did not raise my savings account to be a frozen asset and when I hear a kicker cussing the banks, I figure there is a guy who had designs on my meagre savings but did not make it stick. If he had, it would have been frozen, and a frozen asset is about as ghastly as the frozen rabbits the Aussies sent to the war that was fought to make the world safe for technocracy. I have seen a lot of persons in my time who could not get a dime on their bare note but I have yet to see one turned down at a bank that could borrow $10 from me when I was sober and I have loaned a few hundred dollars while in the possession of all my senses, that will never be repaid.

"In conclusion, I would advise our bank reformers, that when the borrower is able to establish his own credit rating and is able to demand such loans as his own conception of his financial genius warrants, there will not be any real money in the bank, for no sane depositor would risk a nickel in it. The reformers would be getting somewhere if they earned a few dollars and deposited it so they could write cheques instead of wheedling the banker into discounting a promissory note."

A SATISFIED CUSTOMER.

* * *

Staff Changes

The Dominion Bank announce the following changes in staff appointments:

G. M. CHESNEY, formerly manager at Earlscourt branch, Toronto, to be manager at Queen and Augusta Ave. branch, Toronto.

C. A. R. HUNTER, formerly manager at Lawrence Park branch, Toronto, to be manager at Earlscourt branch, Toronto.

D. A. BURNS, Jr., to be manager at Lawrence Park branch, Toronto.

Legal Decisions

Mr. Justice Montague recently issued a judgment in Montreal preventing Banque Canadienne Nationale from forcing a debtor to realize the cash value of life assurance policies held by the bank as collateral.

The judgment was given on action taken by the bank. The bank wished to collect the cash value of two policies for the total amount of $20,000 on the life of B. Shragge. The policies had been assigned to the bank as security, when the Shragge Iron and Metal Co. became bankrupt, as security for bank loans which had existed prior to bankruptcy. The bank brought action requesting that the policies be surrendered, and the cash so obtained applied to the defendant's debt to the bank.

The court held that the bank had no legal authority to make this demand, and could not compel the defendant to surender the policies.

Current Events in Banking World

CANADIAN BANKS' POSITION CHANGED BY FINANCE ACT

Study by J. C. Cameron Says Cash Ratio Now Less Significant

A study of balance sheet ratios of the Canadian banking system indicates that the Finance Act has perhaps brought about the greatest change in the banks' position during the period 1900-1931. Due to this act, "methods of calculating the strength of the system as a whole had to be revised," states J. C. Cameron, in concluding a series of articles, entitled Canadian Banking Operations, in the April number of The Canadian Chartered Accountant.

In elaborating this conclusion, Mr. Cameron states:

"The cash reserve ratio has no longer its pre-war significance. The quick assets ratio cannot now be used as an indicator of 'ability to extend credit.' The duty of maintaining the country on the gold standard has been shifted from the banks to the Finance Department. 'Window dressing' by end-of-the-month or end-of-the-year borrowing has become possible."

A sketch of general Canadian banking conditions was contained in the first of Mr. Cameron's four articles. The articles appeared in the January, February, March and April numbers of the magazine.

"Banks of Branches"

A part of the author's comment in this sketch was:

"A chartered bank in Canada is 'a bank of branches,' not a bank with branches. The parent bank, technically known as 'head office,' neither takes deposits nor lends money. All the banking business is done by the branches, all of which are subject to the supervision and control of the head office.

"The law (Bank Act) is silent on several subjects which seem of great importance to bankers in other countries. For instance, it does not even require that the banks should require a cash reserve against either notes or deposits, nor does the law make the notes a legal tender for any payment."

Mr. Cameron touches on central banking in an illuminating manner at several points during the course of his four articles. Of the use of the Finance Act for central banking facilities he says:

"The rediscounting privilege is used continuously by the banks. While the amounts borrowed do show seasonal fluctuations, there seems little doubt that the banks regard the rediscounting privilege as something more than a means by which fluctuating seasonal requirements can be taken care of. In the opinion of the writer, they regard the mechanism set up by the Finance Act as the mechanism of a central bank."

Interest on Advances

And elsewhere, he comments on the rate of interest charged for Finance Act advances:

"There is no suggestion in the Finance Act that the rates charged by the Treasury Board should be altered with a view to affecting the business situation, of preventing inflation or deflation, of preventing or checking speculation, or of performing the functions expected of the rate of discount of a central bank. Nor has the Treasury Board in its administration of the Act considered changes in the interest rate in the light of stabilizing conditions."

In a chapter on banking policy, Mr. Cameron makes the following comment on the centralized nature of Canadian banking:

"In Canada there is no central bank which leads the other banks or whose policies may be studied. Each bank in itself is in a sense a central bank on whose policies of credit control little has been written and little known. In fact there is probably little attempt to formulate a conscious policy of credit control on the part of the chartered banks."

Policies Uniform

He then quotes J. F. Johnson's "The Canadian Banking System," as to its unity and uniformity of policy:

"There is practical unanimity of opinion among bankers with regard to business conditions and the outlook. The general managers get their information with regard to the country's condition from the managers of branches. Since all know what is going on in every part of the country, it is not remarkable that all are usually very much in agreement. As a result, Canada has a 'bankers' opinion' with regard to the business situation, as distinguished from 'opinions of bankers in the United States! As a result, it may fairly be said that Canada possesses many of the advantages of a central bank. If a cloud appears upon the horizon, the Canadian banks become practically a unit in their attitude toward the common peril."

At times a decline has been recorded in the ratio of the banks' paid up capital to their liabilities. Of this, Mr. Cameron states:

"No matter to what one attributes the decline, it is an unhealthy sign. Inasmuch as the capital of a bank is the shareholders' contribution toward its assets, it is highly desirable that this contribution be made as large as possible for, other things being equal, the strength of a bank varies with the amount of its capital."

Those who have read the series of four articles would doubtless like to have them incorporated in a valuable background for bankers and students who wish to make an examination of the operations of the Canadian banks.

Weekly Bank Clearings

	Mar. 23 1933 $	Change year ago %	Mar. 16 1933 $
Halifax	1,615,310	—22.6	1,595,471
Saint John	1,070,812	—29.0	1,171,623
Moncton	547,258	— 7.5	414,826
Sherbrooke	426,033	—17.8	440,200
Quebec	2,644,850	—27.6	3,112,909
Montreal	55,613,818	—20.2	57,977,942
Ottawa	3,247,814	—27.2	2,893,188
Kingston	396,167	—16.0	384,637
Peterboro'	409,843	—27.3	416,837
Toronto	63,075,007	—10.6	59,573,203
Hamilton	2,833,270	—12.2	2,527,332
Kitchener	632,878	—18.9	606,849
Brantford	671,750	+ 1.0	549,415
London	1,989,640	—14.7	1,827,710
Chatham	326,604	— 9.7	345,179
Windsor	1,693,423	—28.9	1,632,173
Sarnia	301,321	— 7.9	264,589
Sudbury	338,676	— 4.4	384,393
Ft. William	418,164	—11.2	377,487
Winnipeg	51,751,069	+27.6	37,294,677
Brandon	235,262	—36.4	211,687
Regina	2,918,063	+ 9.9	2,307,032
Moose Jaw	407,550	— 1.7	331,727
Saskatoon	1,068,789	—21.5	821,242
Pr. Albert	250,510	—10.9	180,338
Edmonton	2,769,482	—13.0	2,781,938
Calgary	4,638,568	—12.4	3,914,565
Med. Hat	148,595	— 4.2	146,829
Lethbridge	250,453	—17.5	264,828
N. W'minster	332,579	—17.2	299,828
Vancouver	10,136,415	—10.6	9,527,885
Victoria	1,031,589	—32.3	1,031,418

Royal Bank G. M. First for Probe on Central Bank

A prominent Canadian banker, Morris W. Wilson, general manager of The Royal Bank of Canada, was one of the first to recommend expert investigation of central banking for Canada. Many months before the government announced its intention of appointing a Royal Commission for this and other purposes. Mr. Wilson made his suggestion at the annual meeting of the bank's shareholders in Montreal on Dec. 30. 1932. At that time he expressed a doubt of the value of central banking for Canada, and also said:

"The question is not one to be disposed of summarily, and I should hope that if Parliament is called upon to deal with the matter, the Government will first have the project examined thoroughly by a body of experts, including several from older countries who have had experience in the practical working of a central bank."

Mr. Wilson's statement was undoubtedly prepared some days prior to the shareholders' meeting on Dec. 30. His suggestion was probably the first official recommendation of such action as now appears likely to be taken.

Foreign Exchange

CANADIAN dollars were fairly stable in New York in the week ended March 27. There has been no evidence of particular strength in our money against United States currency in recent weeks. Inflation agitation in Canada and our unbalanced government budgets are considered strong contributing causes to this position, in the opinion of some authorities.

For months Canadian dollars have been obviously pinched between the horns of a dilemma. Our large trade and financial relations with the United States have tended to draw us toward the gold dollar. Our trade with Great Britain has pulled for sterling. There appears to be no immediate likelihood of this condition changing.

* * *

EXPORTS of capital funds from the United States are still under control. This removes a possible source of strength to the Canadian dollar from the exchange markets. There is no restriction of capital movements, other than gold, from Canada to the United States.

Alleged large accumulations of gold and dollar exchange by the sterling equalization fund have given rise to rumors that Great Britain may return to gold earlier than expected. The basis mentioned is $3.40. In any event, such accumulations by the equalization fund can only be made by selling sterling. This means that it must be repurchased at some time, or else the internal price level in Great Britain must be raised to account for the present low sterling-gold quotations. Experts appear to think that the equalization fund may have difficulties keeping sterling down unless this change in the internal price level is achieved.

FOREIGN EXCHANGE

New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Mar. 21	20 1-8	19 3-8	12	11 3-4
Mar. 22	20 1-2	20	12 1-8	11 7-8
Mar. 23	20 5-8	20	12 1-8	11 7-8
Mar. 24	20 1-8	19 3-4	11 11-16	11 11-16
Mar. 25	20 5-16	20 1-8	11 1-2	11 1-4
Mar. 27	20 5-16	20 1-8	11 1-2	11 1-4

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.526
Mar. 21	3.42 5-8	0.392 7-16	0.514 1-2
Mar. 22	3.42 7-8	0.392 15-16	0.514 3-4
Mar. 23	3.42 3-8	0.393 1-16	0.514 1-2
Mar. 24	3.43 1-2	0.393 9-16	0.514 1-2
Mar. 25	3.42 5-8	0.393 1-16	0.513 1-2
Mar. 27	3.41 3-8	0.392 13-16	0.513 1-4

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Mar. 21	4.10 3-4	0.0471	0.0618 1-4
Mar. 22	4.12	0.0473	0.0620
Mar. 23	4.11 1-2	0.0471 3-4	0.0617 3-4
Mar. 24	4.12 3-4	0.0472 3-4	0.0617
Mar. 25	4.11 3-4	0.0472 1-4	0.0617
Mar. 27	4.10 3-4	0.0472 1-4	0.0617 1-4

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Mar. 21	0.2854 1-2	0.1677 1-2	0.2610
Mar. 22	0.2870	0.1679 1-2	0.2611
Mar. 23	0.2869 1-2	0.1673 1-2	0.2613
Mar. 24	0.2874	0.1676 1-2	0.2619
Mar. 25	0.2867 1-2	0.1677 1-2	0.2578
Mar. 27	0.2870 1-2	0.1677 1-2	0.2580

C. M. A. Annual Meeting Toronto, June 6 and 7

Annual meeting of the Canadian Manufacturers' Association will be held in the Royal York Hotel, Toronto, June 6 and 7.

In order to save members and the association expense the meeting is being held in two days instead of the three or four of former years.

LAST BANK RUN DUE TO BROKERS FAILING IN 1931

No Direct Run in Canada Since McDougall & Cowans Crash

A run on a Canadian chartered bank, mentioned by Rt. Hon. R. B. Bennett in the House of Commons recently, appears to have occurred in October, 1931, judging from comment in the House. Nothing of a similar nature to the 1931 run has been experienced since, it is understood.

Mr. Bennett's remarks were made in reply to a suppositious question by A. L. Beaubien, Provencher, Man. Mr. Beaubien was trying to establish that if the Government refused aid to a chartered bank, as it did to the Manitoba savings office, the chartered bank might find itself in the same position as the provincial savings office, unable to meet the demands upon it. The entire deposits in the Manitoba savings office, when that run started in January, 1931, amounted to $12,000,000. A withdrawal of only part of this total was sufficient to force the closing of the savings office.

$10,000,000 Withdrawal

The chartered bank "run" mentioned, involving withdrawals of some $10,000,000 from one institution, passed off with hardly a tremor. Mr. Bennett's statement in regard to it was:

"There was a run on one of the chartered banks in Canada: It was a run predicted entirely upon the failure of one of the great brokerage firms of this country. It was thought that the bank might be a failure; $10,000,000 in deposits were withdrawn. No assistance was given by other banks, and there was no question of the government being asked for assistance."

It would appear from the remarks made in the House that the brokerage failure in question was that of McDougall & Cowans in the first week of October, 1931. There were other failures at the same time, such as Watson & Chambers, Greenshields & Co., Royal Financial Corp., and J. M. Robinson & Sons, Ltd. None of these was as important as that of McDougall & Cowans, and Mr. Bennett did not deny an implication that this was the failure to which he referred.

Run Ancient History

There appears to have been nothing in the nature of a direct bank run in Canada since October, 1931. So many events of great economic importance have occurred since that time, that the run mentioned by Mr. Bennett seems like ancient history. It had been practically forgotten until Mr. Bennett mentioned it. It was of some importance at the time of its occurrence, however, since $10,000,000 was apparently withdrawn. Its occurrence was known at the time in financial quarters, but Mr. Bennett's statement was the first indication of its size.

To Tax Interest Due to Foreigners On Bank Deposits

Interest on savings deposits of foreign residents in Canadian chartered banks will be subject to the new five per cent tax on interest "paid or credited" by Canadian debtors to their creditors abroad.

Bankers in Toronto and Montreal agree that interest on such deposits must be taxed under Hon. E. N. Rhodes' new budget proposals. They indicate that this tax on savings deposits will not bulk very large. It is understood that it will not apply to deposits in foreign branches, which are substantial.

The effect of this tax is expected by bankers to be small. It would cause a reduction in the present three per cent interest rate to an effective rate of 2.85 per cent. When the savings rate is reduced to 2½ per cent, the effective rate on deposits of foreign residents would amount to 2 3/8 per cent. The tax will be much less noticeable than the reduction of one half per cent in the interest rate.

Bepco Canada New Name For United Elect. Engineers

United Electrical Engineers Ltd., recently formed by the amalgamation of the Canadian interests of four British engineering companies announces that its name has been changed to Bepco Canada Ltd.

Bruce Peebles (Canada) Ltd., Crompton Parkinson (Canada) Ltd., Harland Engineering Co., Canada, Ltd. and Lancashire Dynamo and Crypto Co. Canada, Ltd., were the four participants in the merger.

The head office of the new company will be located in Montreal and a branch maintained at Toronto. In addition the Bepco company will have stock and service units at Montreal, Toronto, Saint John, Winnipeg and Vancouver.

ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter, 1727)
Capital (fully paid) £ 3,780,192
Reserve Fund ..... £ 3,780,926
Deposits £55,898,683
General Manager
Sir Alexander K. Wright, K.B.E., D.L., LL.D.
TRADE WITH GREAT BRITAIN
The ramifications of the Bank throughout Great Britain and the entire World enable it to handle every description of British, Colonial and Foreign Banking business.
LONDON—City Office:
3 Bishopsgate, E. C. 2
Head Office:
EDINBURGH
250 BRANCHES IN ALL
Associated Bank:
Williams Deacon's Bank Ltd.
(Members of the London Bankers' Clearing House)

WORRY WON'T HELP
but—WE WILL
At a cost of about one cent per day you may have a private Deposit box for your individual and exclusive use in our Bank vaults. This box is accessible to you at any time during banking hours—and at all times—night and day—your property is thoroughly safeguarded.
IMPERIAL BANK OF CANADA
HEAD OFFICE - TORONTO
Capital and Reserve $15,000,000
FRANK A. ROLPH, President
Col. J. F. Michie, Vice-President R. S. Waldie, Vice-President
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ECONOMISTS, business men, parliamentarians and bankers alike have spoken highly in praise of the articles on "A Central Bank for Canada" by A. F. W. Plumptre, lecturer in money, University of Toronto. The articles were a simple statement of the pros and cons, written for the average business man reader.
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Send me the following Central Banking booklets:
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Name ....
Address ....
303

Canadian Pacific Railway Company

FIFTY-SECOND ANNUAL REPORT OF THE DIRECTORS

YEAR ENDED DECEMBER 31, 1932.

To the Shareholders:

The accounts of the Company for the year ended December 31, 1932, show the following results:—

Gross Earnings		$123,936,713.77
Working Expenses (including all taxes)		103,846,729.16
Net Earnings	$	20,089,984.61
Special Income		4,537,425.72
	$	24,627,410.33
Deduct Fixed Charges		23,619,529.45
Surplus	$	1,007,880.88
Contribution to Pension Fund	$	750,000.00
Balance transferred to Surplus Revenue Account	$	257,880.88
Half-yearly dividend on Preference Stock of 2 per cent, paid Oct. 1, 1932	$	2,745,138.42

SPECIAL INCOME FOR YEAR ENDED DECEMBER 31, 1932

Net Revenue from Miscellaneous Investments	$	37,450.00
Interest on Deposits, Interest and Dividends on Other Securities, Exchange and results of Separately Operated Properties	$	2,962,782.31
Net Earnings Ocean and Coastal Steamship Lines	$	1,034,354.28
Net Earnings Commercial Telegraph and News Departments, Hotels, Rentals and Miscellaneous	$	502,839.13
	$	4,537,425.72

Earnings and Expenses

Your directors regret that the accounts again show a decline in net revenue. The following table of comparison will show the progressive decline of gross and net income of the railways of your Company since 1928. For the purposes of this comparison the figures for the years prior to 1932 have been restated to include the operations of the subsidiary steam railways not included in railway accounts prior to that year.

Year	Gross Earnings	Working Expenses (Including Taxes)	Net Earnings
1928	$241,978,461.33	$189,028,331.53	$52,950,129.80
1929	223,320,906.54	178,406,920.47	44,913,986.07
1930	190,100,272.08	151,074,420.16	39,025,851.92
1931	147,846,118.93	122,421,352.43	25,424,766.50
1932	123,936,713.77	103,846,729.16	20,089,984.61
Decrease from 1928	118,041,747.56	85,181,602.37	32,860,145.19

It will be seen that the recession of gross income in the period has been $118,041,747.56 or 48.78%. This may be attributed entirely to the trade depression throughout the world, in which your Company has merely shared the fate of all industries. No possible effort has been spared to maintain and develop traffic, but it will be appreciated that gross earnings, except within very narrow limits, are beyond control of the management.

It will be noted also that working expenses have been steadily reduced, the total reduction for the period being $85,181,602.37, or 45.07%, but it will be appreciated that the necessity of maintaining the property and of providing adequate public service set a limit beyond which reductions cannot be carried. The greater part of the reduction in expenses which every year has shown, can be ascribed to the policy of economy and retrenchment instituted by your directors soon after the trade depression made its appearance. Following, as it did, upon the economies of previous years, the reduction in working expenses in 1932 of $18,574,623, or 15.17% below those of the preceding year as against a reduction in gross earnings of $23,909,405, or 16.17%, must be regarded as gratifying. It is gratifying also to be able to state that this result was attained without impairment of the property, or detriment to the public service. The working expenses for the year, including all taxes, amounted to 83.79 per cent of the gross earnings, as compared with 82.80 per cent in 1931. Excluding taxes, the ratio of working expenses to gross earnings was 80.42 per cent and in 1931, 80.01 per cent.

As a result of improvements in car and train tonnage, increase in the speed of freight trains, and saving in fuel consumption and overtime payments, the train cost of hauling one thousand tons of freight one mile was reduced to $1.12 as compared with $1.23 in 1931. In the maintenance of rolling stock the policy of working the main shops for limited periods in accordance with service requirements was continued, and it is satisfactory to be able to state that 93.3% of the Company's freight cars and 84.7% of its freight and passenger locomotives are in serviceable condition as compared with 87.4% and 71.3% respectively on Class 1 railroads of the United States. With the lower cost of materials and supplies, a reduced scale of wages, and favourable weather conditions during the year, the Company was able to maintain road and structures at $2,890,000 less than in 1931. It was considered also that a severe cut would be made in advertising and other traffic expenses, and a large saving was made in these items.

The ten per cent reduction applied to the majority of the payrolls in 1931 was extended early in the year to the remainder of the payrolls, following negotiations with the employees affected, and on October 1, an additional fifteen per cent reduction in the salary of the President and fees of the directors, and an additional ten per cent reduction in salaries of officers and employees in supervisory positions were applied. Your directors took steps also toward the application of the additional ten per cent reduction to other classes, and negotiations with employees to be affected are now in progress. When these are effective in accordance with the Company's proposal, the additional reductions will, on the basis of the payrolls for 1932, represent a saving of approximately $7,500,000 per annum.

As a result of investigations concluded toward the end of the year, a further consolidation of official positions and reorganization of clerical forces has been made, which it is believed will result in a saving of approximately $1,500,000 per annum.

Your directors cannot conclude this recital of the Company's affairs without paying tribute to the loyalty and zeal of all officers and employees, and their willingness to accept all changes which the conditions of the times required.

Special Income

What has been said in regard to rail income and expenses applies in all respects to Special Income Account. In steamship operation the results were somewhat better than last year, but hotels and telegraphs both show a heavy decline. There was also a decrease in revenue from investments, owing in large part to the fact that no dividend was declared by the Consolidated Mining and Smelting Company, Limited, during the year. Interest on deposits declined, owing to reduction of rate and reduction of amount on deposit.

Land Sales

Sales of agricultural lands for the year were 59,581 acres for $803,663.52, an average of $13.49 per acre. Included in these areas were 5,910 acres of irrigated land which brought $42.15 per acre, the remainder averaging $10.33 per acre.

Accounts

In view of the unsatisfactory results of controlled lines in the United States an appropriation of $4,000,000 has been made from surplus as a reserve to provide for the possible future writing down of investments in these properties.

A provision of $500,000 from the current year's income account for steamship replacement, was deemed sufficient in view of the amount already standing to the credit of the reserve for that purpose.

The unemployment situation having shown no improvement during the past year, the Company continued to lend aid to the extent of anticipating repair work. The expense in connection therewith is being taken into the Company's income accounts at the time the work would in ordinary course have been performed.

From time to time in past years, your Company, either as part consideration for its acquisition of control of certain separately operated subsidiaries, or for their subsequent financing, entered into certain guarantees of their securities. A table showing the extent of your Company's obligations arising from these transactions is included in the financial statements of the report. Statements showing surplus revenue account, land surplus account and changes in property investment are also included.

Dividends

With the greatest regret, your directors must announce that the general situation, and the result of the year's operation, preclude the possibility of any further distribution for the year 1932 to either Preference or Ordinary Stockholders. The excellent wheat crop, the fourth largest in ten years, gave promise of an important increase in gross earnings, but the decline in the market which commenced early in October and continued to the end of the year, interrupted its movement, with the result that such traffic was only slightly better than in the corresponding period of 1931. With this decline in the basic industry of the country disappeared also the hope which had been entertained of an increase of general traffic. Your directors can only continue to exhort patience until the turn of the tide.

Capital Expenditures

In anticipation of your confirmation, your directors authorized capital appropriations, in addition to those approved at the last Annual Meeting, aggregating for the year 1932, $426,730, and ask your approval of expenditures on capital account during the present year of $1,609,787, of which amount $1,310,500 represents the cost of materials already purchased and in stock. The following are the particulars of the principal items:—

Replacement and enlargement of structures in permanent form	$ 137,667
Extensions to existing buildings	5,720
Ties, tie plates, rail anchors, ballasting, ditching and miscellaneous roadway betterments	1,343,005
Replacement of rail in main and branch line tracks with heavier section	2,787
Additional terminal and side track accommodation	16,368
Improving coaling and watering facilities	2,500
Installation of automatic signals	4,400
British Columbia Coast Steamships	1,000
Additions and betterments to equipment	77,266

The remainder is required for miscellaneous works to improve facilities and effect economies over the whole system.

Issue of Securities

There were issued and sold during the year $12,500,000 Convertible Ten Year 6% Collateral Trust Bonds, secured by pledge of Four Per Cent Consolidated Debenture Stock of the par value of $17,000,000, the holders being given the right at any time during the period ending September 15, 1937, to convert their bonds into shares of the Ordinary Capital Stock of the Company in the ratio of four shares to One Hundred Dollars principal amount of the bonds.

Owing to financial market conditions no Preference Stock or Consolidated Debenture Stock was sold during the year, your directors deeming it advisable that the company's requirements should be met by short term loans. These loans amount to $30,000,000, secured by pledge of $40,000,000 Consolidated Debenture Stock, and $5,000,000 bonds of Lucerne-in-Quebec Community Association.

For the purpose of meeting maturing obligations and providing for capital and other requirements of the Company, your directors recommend that your authority be given to the issue of Consolidated Debenture Stock, to be disposed of by way of sale or by pledge as security for loans, as market conditions and circumstances may warrant.

Minneapolis, St. Paul and Sault Ste. Marie Railway

Business conditions throughout the territory in which your subsidiary the Minneapolis, St. Paul and Sault Ste. Marie Railway Company operates were at a similar low ebb as in Canada. Its gross earnings were only $12,596,141, the lowest since 1908, although more than eight hundred additional miles of railway were in operation. To meet the deficit the Minneapolis, St. Paul and Sault Ste. Marie Railway Company borrowed $6,117,361 from the Reconstruction Finance Corporation and the Railway Credit Corporation of the United States, your Company guaranteeing the payment of the loans to the extent of $2,000,000.

For some years the Wisconsin Central has not been earning its fixed charges, and recently has failed to earn even operating expenses. As owner of practically all of its capital stock and a large amount of its bonds, and guarantor of some of its obligations, the Minneapolis, St. Paul and Sault Ste. Marie Railway Company met these deficits in order to keep the line in operation. Toward the end of the year, being unable to make further advances, the Minneapolis, St. Paul and Sault Ste. Marie Railway Company suffered the line to go into receivership. It is, however, continuing to operate the railway for the receiver.

Agreements

Your confirmation and approval will be asked of the following agreements made by your directors during the past year:

1. Agreement dated November 15, 1932, between your Company of the one part and The Canadian Northern Railway Company and Canadian National Railway Company of the other part, whereby The Canadian Northern Railway Company and Canadian National Railway Company are given the joint use and enjoyment of the portions of your line between Youngstown and Coronation, the Coronation Terminals and between Coronation and Alliance, all in the Province of Alberta, on the basis of paying one-half the interest charge on capital account and a wheelage proportion, with a minimum of 20%, of maintenance and operation expenses.

2. Agreement dated November 15, 1932, between The Canadian Northern Railway Company and Canadian National Railway Company of the one part and your company of the other part whereby your Company acquired the right to use a portion of the main line and the passenger station and freight shed of the Canadian National at Youngstown, Alberta, on the basis of paying one-half the interest charge on capital account and a wheelage proportion, with a minimum of 20%, of the maintenance and operation expenses.

3. Agreement dated November 15, 1932, between The Canadian Northern Railway Company and Canadian National Railway Company of the one part and your company of the other part, whereby your Company acquired the right to use the line of the Canadian National from North Battleford through Hamlin to Glenbush and from Glenbush to Medstead, all in the Province of Saskatchewan, on the basis of paying one-half the interest charge on capital account and a wheelage proportion, with a minimum of 20%, of the maintenance and operation expenses.

Royal Commission on Transportation

The Royal Commission on Transportation, to the appointment of which reference was made last year, concluded its work in September. Its Report, which has been widely published, contains the results of an exhaustive study of all phases of the subject. Of necessity, owing to their place in the transportation field, the Report deals mainly with the development and operation of the Government Railways and those of your Company since 1922, when the various government lines were consolidated. In its conclusions, the Commission pronounced in favour of the continuance of competition between the two undertakings, mitigated as to some of its effects, by co-operative effort. It was recommended that a statutory duty should be imposed upon them to "adopt as soon as practicable such co-operative measures, plans and arrangements as shall, consistent with the proper handling of traffic, be best adapted to the removal of unnecessary or wasteful services or practices, to the avoidance of unwarranted duplication in services or facilities, and to the joint use and operation of all such properties as may conveniently and without undue detriment to either party, be so used."

To enforce this duty, the Commission recommended that Arbitral Tribunals be set up for each occasion, composed of the Chief Commissioner of the Board of Railway Commissioners and of one representative of each of the two Railways, with the addition, if requested by either party in matters of major importance, of two additional members nominated by the Exchequer Court of Canada; the decision of a Tribunal to be final and binding, except on questions involving jurisdiction. Among the subjects over which the Arbitral Tribunals are to have jurisdiction are the following:

(a) Joint use of terminals.
(b) Running rights and joint use of tracks where there are actual or functional duplications, or where such may be avoided.
(c) Control and prohibition in respect of the construction of new lines and provision of facilities and additional services where no essential need of the public is involved.
(d) The joint use of facilities where this would promote economy or permit the elimination of duplicating or unremunerative services or facilities.
(e) Abandonment of lines, services or facilities.
(f) Pooling of any part or parts of freight traffic or of passenger traffic.
(g) Things necessarily incidental to the above enumerated matters.

It having been announced in the Speech from the Throne at the opening of the parliamentary session in October, that a Bill would be introduced by the Government to give effect to the recommendations of the Royal Commission, your directors took early occasion to present to the Government and to Parliament their views upon the subject. Accompanying this report will be found a transcript of a statement which, by direction of your directors, was made to the Standing Committee on Railways, Telegraphs and Harbours of the Senate of Canada on November 17, in which these views are set forth at length.

It will be noted that it is the feature of compulsory arbitration of differences upon co-operative measures to which your directors took exception, since such measures necessarily involve questions of control and administration of the Company's undertaking. With the principle of co-operation on a voluntary basis your directors are in hearty accord, and, to give it the fullest effect, your directors and officers have been in steady conference with the directors and officers of the Government Railways to devise and agree upon measures which will be productive of mutual economies.

Stock Holdings

The holdings of the Ordinary and Preference Stocks of the Company in December, 1932, were distributed as follows:

	Ordinary: No. of holders	Ordinary: Percentage of Stock	Preference: No. of holders	Preference: Percentage of Stock	Percentage of Ordinary and Preference combined
Canada	35,101	19.50	87	.49	13.88
United Kingdom and other British	21,585	46.29	27,176	97.81	61.53
United States	16,492	28.03	31	.57	19.90
Other Countries	4,722	6.18	188	1.13	4.69
	77,900		27,482		

Retiring Directors

The undermentioned directors will retire from office at the approaching Annual Meeting. They are eligible for re-election:

Mr. E. W. Beatty.
Mr. W. A. Black.
Hon. F. L. Beique, K.C.
Rt. Hon. Lord Shaughnessy, K.C.

For the Directors,

E. W. BEATTY,
President.

Montreal, March 13, 1933.

Canadian Pacific Railway Company, General Balance Sheet, December 31, 1932

ASSETS

PROPERTY INVESTMENT:			
Railway, Rolling Stock Equipment, Lake and River Steamers and Hotels		$871,789,071.34	
Ocean and Coastal Steamships		116,408,253.10	
Acquired Securities (Cost)		178,868,015.71	
			$1,167,065,340.15
ADVANCES TO CONTROLLED PROPERTIES AND OTHER INVESTMENTS			14,510,776.25
INVESTMENTS AND AVAILABLE RESOURCES:			
Deferred Payments on Lands and Townsites		$ 50,870,516.27	
Provincial and Municipal Securities		792,721.29	
Miscellaneous Investments, Cost		33,303,263.64	
Assets in Lands and Properties		55,795,581.95	
			140,762,083.15
INSURANCE PREMIUMS PAID IN ADVANCE			216,669.01
WORKING ASSETS:			
Material and Supplies on Hand		$ 20,195,758.95	
Agents' and Conductors' Balances		3,986,902.23	
Net Traffic Balances		584,308.67	
Imperial, Dominion and United States Governments, Accounts due for Transportation, etc.		859,200.64	
Miscellaneous Accounts Receivable		10,301,288.14	
Special Deposits		1,710,194.85	
Cash in Hand		15,173,490.69	
			52,811,144.17
			$1,375,366,012.73

LIABILITIES

CAPITAL STOCK:			
Ordinary Stock		$335,000,000.00	
Four Per Cent Preference Stock		137,256,921.12	
			$ 472,256,921.12
FOUR PER CENT CONSOLIDATED DEBENTURE STOCK	$455,911,548.74		
LESS: Collateral as below*	164,500,900.00		
			291,411,548.74
TEN YEAR 5% COLLATERAL TRUST GOLD BONDS (1934)*			12,000,000.00
TWENTY YEAR 4½% COLLATERAL TRUST GOLD BONDS (1946)*			20,000,000.00
TWENTY-FIVE YEAR 5% COLLATERAL TRUST GOLD BONDS (1954)*			20,000,000.00
THIRTY YEAR 4½% COLLATERAL TRUST GOLD BONDS (1960)*			30,000,000.00
CONVERTIBLE TEN YEAR 6% COLLATERAL TRUST BONDS (1942)*			25,000,000.00
			12,500,000.00
TWENTY YEAR 4½% SINKING FUND SECURED NOTE CERTIFICATES (1944)	$30,000,000.00		
LESS: Purchased by Trustee and cancelled	8,464,200.00		
	21,535,800.00		
LESS: Amount held by Trustee	12,242.10		
			21,523,557.90
MORTGAGE BONDS:			
Algoma Branch 1st Mortgage 5 per cent			3,650,000.00
Lacombe & Blindman Valley Railway 1st Mortgage 5 per cent			273,700.00
SHORT TERM NOTES*			30,000,000.00
EQUIPMENT OBLIGATIONS	$47,850,000.00		
LESS: Securities on hand with Trustee	6,000,000.00		
			41,850,000.00
CURRENT:			
Audited Vouchers		4,722,604.20	
Pay Rolls		2,481,233.04	
Miscellaneous Accounts Payable		5,717,741.68	
			12,921,578.92
ACCRUED FIXED CHARGES			1,389,678.33
DEFERRED:			
Dominion Government Unemployment Relief			1,447,222.71
RESERVES:			
For Equipment Replacement		9,419,677.75	
For Steamship Replacement		27,780,437.10	
For Contingencies (net)		2,785,433.21	
For Investments		4,000,000.00	
For Exchange on Working Assets and Current Liabilities		727,790.81	
			44,713,338.87
PREMIUM ON CAPITAL STOCK SOLD (LESS DISCOUNT ON BONDS AND NOTES)			66,390,903.49
LAND SURPLUS			120,967,867.17
SURPLUS REVENUE			167,069,695.48
			$1,375,366,012.73

L. B. UNWIN, Comptroller.

NOTE: The Balance Sheet is expressed in Canadian Currency—Currencies other than Canadian having been converted at the par of exchange.

AUDITORS' CERTIFICATE.

We have examined the Books and Records of the Canadian Pacific Railway Company for the year ending December 31, 1932, and having compared the above Balance Sheet therewith, we certify that, in our opinion it is properly drawn up so as to show the true financial position of the Company at that date, and that the statements of Income and Surplus Revenue correctly set forth the result of the year's operations.

Montreal, March 10, 1933.

PRICE, WATERHOUSE & CO.,
Chartered Accountants, (England).

April Dividend Payments Will Total $11,602,414

Show Drop of 41 Per Cent From April, 1932, Total of $21,273,875; Trust and Loan Companies Reduce Rate

Dividend disbursements by Canadian corporations will total $11,602,414 in April as against $21,273,875 in April, 1932, a drop of 41 per cent. In April, 1931, payments were $32,126,789. From the list of companies usually paying dividends in April, six companies are missing due to dividends passed while 14 companies are paying dividends at a reduced rate. Dome Mines is the only company to pay an extra dividend and Wright-Hargreaves Mines Ltd., is the sole company to show an increased rate. Good news is therefore confined to the gold producing mines but Investment Foundation Ltd., will pay an additional 13 cents on account of arrears of preferred dividends.

Dividends passed are on preferred stocks except that the common dividend of Charles Gurd & Co. is deferred but will be considered again during April. The following companies will not pay the preferred dividend previously paid in April, Tip Top Tailors Ltd., Sherwin-Williams Co. of Canada Ltd., Standard Steel Construction Co., Canadian Pacific Railway and Holt, Renfrew & Co.

Reductions Numerous

Dividend has been reduced on the common stock of F. N. Burt Co., Dominion Textile Co., Bell Telephone Co., Canada Permanent Mortgage Corp., Landed Banking & Loan; Huron & Erie Mortgage Corp., National Trust Co., Central Canada Loan & Savings Co., Toronto General Trusts Corp., Canada Bud Breweries Ltd., Hunts Ltd., both A and B stock and Goodyear Tire Co. Dividend has also been reduced on the second preferred stock of Canadian Canners Ltd., and on the first preferred stock of Canada Bread Co.

Dividends declared for payment in April have been compiled by The Financial Post as follows:

SUMMARY OF PAYMENTS

Dividends	$11,602,414
Bond interest	36,740,569
Total	48,342,983

Dividend Payments

Company	Rate	Date	Amount
Agnew Surpass, pref.	$1.75q	1	17,053
Assoc. Brew., pfd.	$1.75q	1	21,274
Bk. of Nova Scotia	$3.50q	1	420,000
Bell Telephone	$1.50q	15	1,135,115
Brantford Cordage, 1st pfd.	50cq	1	32,783
Brazilian Tr., pref.	$1.50q	1	5,901
Brit. Amer. Oil (No. 12)	20cq	1	524,128
B. C. Elect. Pr. & Gas, pfd.	$1.50q	1	75,000
B. C. Power (A)	50cq	15	500,000
Building Prod. "A" & "B"	25cq	1	30,211
Burt, F. N.	50cq	1	53,772
Do., pref.	$1.75q	1	1,074
Calgary Power, c.	$1.50q	1	52,500
Canada Bread 1st pref.	$1q	1	12,500
Canada Bread	15cq	15	22,500
Canada Dry	25cq	15	128,157
Canada Iron, pref.	$1.50s	30	58,167
Can. Northern Pr.	20cq	25	75,000
Do., pref.	$1.75q	15	96,250
Can. Perm. Mtge.	$2.50q	1	175,000
Can. Canners, 1st pfd.	$1.50q	1	68,356
Do., 2nd pref.	5cq	1	18,186
Candn. Car, pref.	44cq	10	127,311
Can. Celanese, pref.	$1.75q	1	157,500
Can. Cottons, pref.	$1.50q	4	54,922
Can. Fairbanks, pfd.	$1.50q	15	22,500
Can. Gen. Electric	$1q	1	188,845
Do., pref.	87½cq	1	149,759
Can. Gen. Invest. (No. 19)	10cq	1	61,224
Can. Industries, "A" & "B"	87½cq	29	584,403
Do., pref.	$1.75q	15	81,375
Candn. Oil, pref.	$2q	1	40,000
Central Can. Loan	$2q	1	50,000
Consumers' Gas	$2.50q	1	351,380
Crown Trust	$1.75q	1	17,500
Dome Mines	25cq	20	288,333
Do., extra	20cq	20	190,666
Dominion Bank	$2.50q	1	175,000
Dominion Glass	$1.25q	1	53,125
Do., pref.	$1.75q	1	45,500
Dominion Stores	30cq†	1	84,714
Dom. Textile	$1q	1	270,000
Do., pref.	$1.75q	15	33,960
East. Steel Prod., pfd.	$1.75q	1	7,031
Eastern Trust	$2q	1	20,000
Economic Inv. Trust	37½cs	1	14,971
Fanny Farmer	25cq	1	24,650
Do., pref.	60cq	1	9,225
Freiman, A. J., pfd.	$1.50q	1	14,056
General Trust, pfd.	$1.50q	1	16,500
Goodyear Tire	60cq	3	77,178
Do., pref.	$1.75q	3	127,064
Great West Life	$5q	1	50,000
Gurd, Chas., pref.	$1.75q	1	4,550
Highland Dairy, pfd.	$1.75q	1	3,263
Howe Sound	10cq	15	47,370
Hunts, "A" & "B"	12½cq	1	4,207
Huron & Erie Mtge.	$1.75q	1	87,500
Int. Hydro Elec., pfd.	87½cq	15	126,699
Invest. Found., pfd.	37cq	15	12,711
Do., on arrears	13c	15	4,466
Jamaica Pub. Ser.	25cq	1	11,250
Do., pref.	$1.75q	1	17,500
Landed Bank. & L.	$1.50q	1	15,000
McColl Frontenac, pfd.	$1.50q	15	117,102
Mitchell, J. S., pref.	$1.75q	1	5,635
Montreal C. & D. Bk.	$3q	1	60,000
Montreal L. H. & P.	37cq	30	1,662,053
Montreal Telegraph	80cq	15	40,000
Montreal Tramways	$2.25q	15	157,500
Moore Corp., pfd. "A"	$1.75q	1	57,537
Do., pref. "B"	$1.75q	1	29,359
Nat. Breweries	40cq	1	283,648
Do., pref.	44cq	1	48,840
National Trust	$2.50q	1	75,000
Northern Ont. Pr.	50cq	25	120,007
Do., pref.	$1.50q	25	37,489
N. S. L. & Pr., c.	$1q	1	34,523
Ogilvie Flour, c.	$2q	1	150,000
Ont. Loan & Deb.	$1.50q	1	60,000
Ottawa L. H. & Pr.	$1.50q	1	52,500
Do., pref.	$1.62½q	1	24,375
Page-Hersey Tubes	75cq	1	130,692
Do., pref.	$1.75q	1	318
Perfect Circle	50cq	1	81,250
Pioneer Gold, B.C.	6cq	1	106,102
Power Corp., pref.	$1.50q	15	75,000
Do., 2nd pref.	75cq	15	75,000
Porto Rico Pr., pref.	$1.75q	1	17,500
Premier Gold Mines	3cq	4	150,800
Provincial Paper, pfd	$1.75q	1	61,250
Riverside Silk "A"	25cq	1	7,500
Robinson Cons. Cone	25cq	1	12,500
South. Can. Pr., pfd.	$1.50q	15	106,332
Standard Fuel, pfd.	$1.62½q	1	22,627
Supertest Pete, "A" pfd.	$1.75q	1	5,845
Do., "B" pref.	$1.50q	1	3,000
Do., c. & ord. (No. 23)	25cq	1	27,500
Tamblyn, pref.	$1.75q	1	8,858
Thrift Stores, 1st pref.	40⅝cq	1	5,687
Do., 2nd pref.	17½cq	1	2,100
Toronto Gen. Trusts	$2q	1	60,000
Toronto Mortgage	$1.50q	1	29,595
Tuckett Tob., pref.	$1.75q	15	35,000
United Securities	50cq	15	25,630
West Koot. Pr., pfd.	$1.75q	1	8,750
Western Grocers, pfd.	$1.75q	15	20,899
Weston, Geo., c.	25cq	1	12,500
Wright Hargreaves	5cq	1	275,000
			11,602,414

†Payable Mar. 30.

BOND INTEREST DUE IN APRIL

Company:	Rate	Int. Date	Due	Amount $
Atlantic Sugar	5	1	1941	88,780
Amer. Salesbook	6	1	1939	15,315
Bay-Cumber. Corp.	6½	1	1944	7,247
Balfour Bldg.	6	1	1943	23,409
Bolivian Pr. 'A'	8	1	1945	62,000
Booth Bldg.	6½	1	1937	19,500
Brand.-Henderson	6	1	1936	5,088
Calgary Power	5	1	1960	250,000
Can. Cons. Felt	6	1	1940	5,880
Can. Int. Inv. Trust	5	1	1959	50,623
Can. Pac. Rly.	5	15	1934	300,000
Can. West. N. Gas*	5	15	1936	17,070
Carleton House	6½	1	1947	1,534
Can. Nat. gtd. gold	5	1	1969	1,500,000
Can. Nor. Pac. 1st mtge.	4	2	1950	328,240
Can Nor. Pac. 1st mtge. term.	4½	2	1950	193,815
Can. Cons. Rubber	6	1	1946	78,000
Devonshire Apts.	6½	1	Serial	12,025
Dom. Canners	6	1	1940	31,404
Dom. Tug & Barge	7	1	1947	7,875
East. Koot. Pr. 'A'	7	1	1942	65,135
Do., 'B'	7	1	1942	9,975
Famous Players	6	1	1948	163,965
Do., debs	6½	1	1948	84,675
Gatineau Pwr. 'B'	6	1	1941	225,000
Gould Mfg. 'A'	6	1	1942	11,130
Gt. Brit. & Can. Inv.	4½	1	1959	115,807
Hamilton Cot. 'A'	5½	1	1948	23,210
Inter. Hydro-Elec.	6	1	1944	900,000
Investors Equ. 'A'	5½	1	1949	16,500
Kensing'n Man. Ap.	7	20	Serial	2,677
Legare, P. T.	6	1	1977	21,000
McColl-Front. 'A'	6	1	1949	295,400
Massey-Harris	5	15	1947	217,500
Midland Pac. Term.	6½	1	1943	13,991
Mon. L. H. & Pr.	5	1	1951	719,800
Do. (Lachine)	5	1	1933	77,225
Mont. Tram. A B D	5	1	1955	630,080
Do., 'C'	4½	1	1955	54,969
Nat. Bis. & Conf.	6½	1	1950	5,200
National Realty	7	1	1945	8,750
Nor. Ont. Bldg.	6½	1	1939	26,601
Ogilvy Realty	5½	1	1951	34,375
Ott. Vall. Pr.	5½	1	1970	247,500
Ott. L. H. & Pr.	5	1	1957	100,625
Pacific Burt	6½	1	1937	4,257
Railway Ex. Bldg.	6½	1	1942	14,625
Rio de Janeiro	5	1	1958	485,220
Shawinigan 'D'	4½	1	1970	427,537
Shawinigan 'A'	4½	1	1967	774,798
S. Can. Pr. 'A'	5	1	1955	150,000
Spruce Falls Pr.	5½	1	Serial	330,000
Tooke Bros.	7	1	1942	8,666
Victoriaville Furn.	6¼	1	1936	2,291
Westminster Paper	6½	1	1950	9,392
Wpg. El. Ref. Mtg.	5	2	1954	109,500
Do.	6	1	1954	210,000
Woods Mfg.	6	1	1948	20,610
York St Bldgs.	6	1	1943	7,521
				9,621,344
Municipal bonds				$5,324,080
Provincial bonds				6,621,613
War loan ref.	5	15	1943	3,675,000
Do., refund'ng	4½	15	1944	1,125,000
Dominion bonds				10,373,532
Total				$36,740,569

*Called for redemption on June 15, 1933.

DOMINION PUTS ANOTHER $920,650 INTO FARM LOAN

Investment Now Totals $8,137,115; Started in 1929

The Dominion of Canada now has an investment of $8,137,115 in the Canadian Farm Loan Board which was formed in January, 1929, for the purpose of "establishing in Canada a system of long-term mortgage credit for farmers." According to figures given in the recent budget, the Dominion purchased an additional $850,000 of 5 per cent bonds at par and $70,650 of capital stock. Investment of the Dominion now consists of $5,050,000 initial capital, $2,650,000 of bonds and $437,115 of capital stock. It would appear that loans made by the board amounted to $1,413,000 in the past year.

The Federal board of three commissioners functions through provincial boards nominated by the provincial governments and the functions of these boards is to provide funds and credit facilities to farmers on such terms as will enable them legitimately to develop farming operations and improve their economic condition. The original intention was that with a long-term amortized loan the borrower had an opportunity of repaying gradually the funds borrowed out of increased earnings. The loans could be used to buy farm lands, livestock, seed, fertilizers or equipment, to erect buildings or to discharge liabilities.

Interest Now Due

Loans are restricted to not more than 50 per cent of the board's appraised value of the land or 20 per cent of the value of insurable improvements. Loans are not to exceed $10,000 and are repayable in equal annual, or semi-annual installments over a period of 23 or 32 years. Initial capital of $5,000,000 was advanced by the Dominion with interest at 5 per cent after three years. This capital is repayable out of earnings after provision for reserve for losses. In addition capital stock is issued to which the Dominion subscribes to the extent of 5 per cent of loans made by the board and each province to 5 per cent of loans made in that province. Each borrower must also buy stock to the extent of 5 per cent of the loan secured.

The last financial statement of the Canadian Farm Board was tabled in Parliament last fall and showed a paper profit of $271,323 on operations in the year ended March 31, 1932. All interest earned was counted as revenue whether paid or not and there was no interest charged on the original capital of $5,000,000. This interest which will be due in 1933, will amount to $250,000 annually.

Loans to the amount of $7,278,741 had been made in six provinces on which arrears amounted to $69,407. Total income of the board was shown at $448,821, chiefly interest earned on mortgage loans while expenses were $177,572 of which $49,586 was interest on bonds and $127,987 administration and general expenses.

Three Years of New Taxes

Budget Speech of Rt. Hon. R. B. Bennett—June 1, 1931

Income tax on corporation increased from 8 to 10 per cent. Two per cent tax imposed on incomes of non-residents but later withdrawn. Complete change in the personal income tax schedules presented but later withdrawn. One half of income from dividends, formerly taxed 100 per cent, declared exempt, with limit of $5,000 exemption fixed for any one person.

Postage rate increased one cent. Cheque tax imposed on all cheques over $5, formerly $10.

Sales tax increased from 1 per cent to 4 per cent.

Excise tax of 1 per cent levied on all imports.

Extensive increases in tariff.

Budget Speech of Hon. E. N. Rhodes April 6, 1932

Income tax on corporations increased from 10 to 11 per cent.

Tax on personal incomes increased by about 25 per cent; surcharge of 5 per cent of tax added to all gross incomes over $5,000; exemptions cut by 20 per cent.

Sales tax increased from 4 per cent to 6 per cent. Some exemptions.

Excise tax on imports increased from 1 per cent to 3 per cent.

Tax imposed on fire and casualty insurance premiums.

Stamp tax on cheques, etc., increased.

Tax imposed on sleeping car tickets, etc.

Tax imposed on telegraph, cable and telephone messages.

Few tariff changes.

Budget Speech of Hon. E. N. Rhodes March 21, 1933

Income tax on corporations increased from 11 to 12½ per cent but 5 per cent surtax on tax removed.

Personal income taxes increased all along line and personal exemptions reduced.

Tax of 5 per cent imposed on incomes of non-resident increased.

Special tax of 5 per cent imposed on income received in premium currencies.

Sales tax increased to 6 per cent on items formerly taxed 3 per cent.

Special excise taxes levied on toilet articles, cigarette papers and tubes; sugar, malt products, excise duties increased on distilled spirits.

Stamp tax made applicable to all cheques, etc., of whatever amount.

Customs tariff little changed.

Grain and Milling in Canada

This Week in Wheat

From Our Own Correspondent

Trend Undetermined at Winnipeg

WINNIPEG. — Although the wheat market made some small gains at the beginning of the week, there was not enough activity to establish the existence of any pronounced trend. Some of the strength was a reflection of Chicago influence, but Chicago prices are showing a tendency to pull farther away from Winnipeg, emphasizing again the fact that prices in the United States are now governed by domestic conditions and may move independently of world trends. Advances in corn in Chicago are taken to indicate that feed has been used up more rapidly than had been supposed, which probably applies to feed wheat as well as to other grains.

Brewing activities have sent up the price of barley in that country, which may later be reflected in stronger world markets.

* * *

Canada Shipments at Low Level

CANADIAN shipments for export have been at a low level, reflecting the lack of export business during the period when our exchange market was upset by the banking holiday in the United States. Vancouver bookings have fallen off sharply, as orders previously on the books have been filled, and in consequence Vancouver prices have lost the premium over Winnipeg which prevailed since last December, and are now slightly under the Winnipeg basis. While there has been some accumulation of cash wheat at Winnipeg in anticipation of opening of navigation, it has not been very insistent of late.

Further shipments of Argentine wheat to China are considered an encouraging development, as some of the low grade wheat from that country may expand the market for imported wheat in China, for which only fairly high grade Australian, with some Canadian, has been available.

* * *

Wheat Markets In Transition Stage

DEVELOPMENTS of the past week in the wheat market have not been of great significance. International wheat trade appears to have entered upon a transition stage such as has featured previous seasons at about this time. With the heaviest rush of marketings from the Southern Hemisphere over, the oceans still carry a great supply of wheat, which all told is sufficient to meet the needs of importing nations for about a month.

During the winter most of the wheat put afloat has had a long journey ahead of it, from the Argentine, from Australia, from Vancouver. By the time the supplies afloat being to diminish to some extent, a demand for wheat for prompt shipment is expected to spring up — wheat for shipment from the North American Atlantic Coast.

In the past this demand has been for United States as well as Canadian, but this year owing to the special price condition in the United States, it is only Canadian wheat which will be offered. Such a demand has usually been strong with the opening of navigation on the Great Lakes and on the St. Lawrence. While expected this year it is somewhat slow in becoming manifest, and the market appears to be in a waiting state to see just what will be required.

* * *

Canada Stands To Increase Exports

THE international market is in this condition that only Canada, Australia and the Argentine are in a position to furnish what wheat may be required until another crop is reached. There are out of the picture the United States, Russia and the Danubian countries, from all of which supplies of wheat used to be obtained. The Danubian countries will probably be back in the business of exporting wheat to some extent when a new harvest is obtained, but Russia possibly, and the United States almost certainly must be counted out for a long time.

It is quite conceivable that world requirements during the next five months may call for average shipments of 13,000,000 bushels weekly, that the average for that whole period from the southern hemisphere may not exceed 5,000,000 bushels, and that Canada consequently might be called on to supply about 140,000,000 bushels for export.

* * *

Australia Busy in Orient

AUSTRALIA continues to do an excellent business in the Orient, indeed at such a rate as to suggest that before new crops are available in China and Japan, Oriental buying may have to be diverted to Canada, or conceivably to the Argentine, where the low price of wheat due to its inferior quality may overcome the handicap of greater transportation distance. Indeed world freight rates appear to be falling to new low levels, a fact which operates to the advantage of Vancouver as against Atlantic ports, but still more to the advantage of Australia and of the Argentine as against Canada, for the longer the haul the greater the effect, in cents per bushel, of proportionate decreases in freight rates.

Canned Vegetable Market Improves

A report received by the Department of Agriculture from the Empire Marketing Board indicates that the demand for canned vegetables in the British market is expanding rapidly. Durng the season just closed a number of full cargoes of canned products of field and orchard have moved to the British market. The principal demand is for baked beans, peas and tomatoes, while asparagus is becoming known.

WESTERN GROUP OPPOSE CHANGE IN SHIPPING ACT

Claim Amendment Would Create Monopoly of Shipping

From Our Own Correspondent

MONTREAL. — Western interests, led by the Winnipeg Grain Exchange and the Winnipeg Free Press, are strenuously opposing any change in the Shipping Act so as to prevent the transhipment of Canadian wheat at Buffalo.

In speaking for the West, the Free Press claims that shipping interests on the Great Lakes have been trying for years to so tighten up the Canada Shipping Act as to give them a virtual monopoly.

In introducing the amendment to the Act, the Dominion Government has taken the stand that American ships should not be permitted to carry grain from Buffalo to Montreal, Sorel and Quebec. It is believed that competition would keep the rates down; if the rates were too high they could be controlled under the law.

Detrimental to Grower

The Winnipeg Grain Exchange and Western interests take the stand that the prohibition of transhipment of grain from Buffalo would eventually work to the disadvantage of the wheat grower.

Winnipeg opponents to the amendment point out that the Canadian lake steamship owners organized last year a "pool" of all tonnage, known as the Associated Lake Freighters Ltd., under the management of James Stewart, which would be enabled to advance the rates at any time through the removal of American tonnage from the route. The claim is also made that a rate of 9 cents a bushel was established two years ago, when difficulty in complying with certain bill of lading specifications prevented United States vessels from engaging in the traffic from the head of the lakes to Montreal. This rate prevailed until the American vessels were able to re-enter the trade. The present rate is 6½ cents a bushel.

Advantage to Americans

American lake steamers derived considerable advantage from the traffic in Canadian grain in former years, particularly the large ore carriers, which were able to load 500,000 bushels of grain at Fort William and Port Arthur, when cargoes of ore were light at Duluth, and transfer this to elevators at Buffalo. There it was transhipped to other United States or Canadian ships of smaller tonnage for carriage to Montreal, or moved via the New York state barge canal to New York. Canadian shipowners had to meet this competition, being prevented by American legislation from engaging in the coal and ore trade of the United States.

In support of the amendment to the Shipping Act and in answer to the criticism emanating from the West, lake steamship owners say that competition between Canadian companies is already so keen that the charges of the new amendment being inimical to the wheat grower are without foundation.

FALL MOISTURE IN WHEAT AREAS BELOW NORMAL

But Western Rains Appear to Have Been Fairly Satisfactory

Fall precipitation appears to have been satisfactory in the Prairie Provinces as a whole, judging from a report on moisture conditions by the Searle Grain Co.

Rainfall in the Prairie Provinces between Aug. 1 and Oct. 31, 1932, was less than the normal over a ten-year period or more. Alberta suffered most in this respect. The ratio of rainfall on wheat acreage in the 1932 fall months was better than for the acreage of the provinces as a whole.

The report states that investigations indicate that there is a high degree of correlation, between the rain which falls immediately after a harvest and before freeze-up, and the maximum crop which can be harvested the following autumn. This makes the following compilation of averages of importance:

Rainfall in Prairie Provinces Between Aug. 1 and Oct. 31, 1932, Compared With Normal

	Rain in 1932 period inches	Normal 10 years or more inches	Unweighted ratio of 1932 to normal %	Weighted ratio for wheat acreage %
Alta.	3.64	4.65	80.0	87.6
Sask.	3.57	3.85	93.0	92.9
Man.	4.71	5.09	92.0	95.1

The best area for reserve moisture in Alberta this year is in the southeast corner, south of Brooks and east of a line from Barons to Cardston. The poorest part in Alberta, that appears to be quite deficient of soil moisture, is a district in the northeast corner in an area north and east of Lougheed, Edmonton and Athabasca. In Saskatchewan there is a very poor area between Scott and Biggar and running northeast and southwest from this line, with an excellent area around Brooksby and Melfort and another excellent area inside a line, Pennant, Swift Current, Gravelbourg, Neville and Maple Creek. In Manitoba most districts appear to be normal, with the exception of one area around Swan River.

Importance of Reserves

The importance of reserves of fall moisture is due to the roots of spring wheat plants penetrating the soil to a depth of only five feet. Contrary to general supposition, moisture does not move up from the depths of the soil to the surface. Thus, it is indicated that if preliminary soil moisture is insufficient, the following crop may be unfruitful, unless nearly perfect precipitation occurs between seeding time and harvest. Such ideal rain conditions occur but rarely, so that the moisture received by the soil in the fall is of great importance to the next crop.

On land which is summerfallowed, subsoil moisture is stored. This would usually include about one third of the wheat acreage in western Canada. Stubble land which has produced a crop, normally comprising about two thirds of the western wheat acreage, can only get the necessary subsoil moisture to nourish another crop in the autumn months.

Argues Montreal Needs More Storage for Grain

Congestion at Port Leads to Diversion of Traffic to Other Routes, Montreal Shipping Authority Asserts

By THOMAS R. KIRKWOOD

No fair-minded individual can blame our American friends for their untiringly-aggressive efforts to attract to their routes the lucrative traffic in Canadian grain. They have invested huge sums in improvements to port facilities, grain elevators, railway facilities and the Erie Canal, because they were already enjoying handsome revenues from this traffic and expected to increase its volume.

Now British and Canadian efforts are diverted toward reducing the volume of that traffic.

Are Facilities Adequate?

This brings up the questions: will Canada's grain ports be equal to this task? Will the summer ports, especially, be able to handle with expedition the heavy peak-loads of grain formerly shipped to Buffalo? Despite the grain-elevator congestion which delays their vessels so seriously at Montreal, will the Canadian lake-steamship companies be able to carry out satisfactorily their task of moving the grain down the Great Lakes to Bay ports and to St. Lawrence ports?

There are many authorities on grain transportation and grain marketing who would answer these questions in the negative.

Atlantic Ports Yet Untried

There has been little or no opportunity during the present season of testing the respective capacities of Halifax and Saint John, since there was but a small quantity of export grain stored at the close of navigation in Bay ports elevators, upon which these two Atlantic ports depend for shipments during the winter months.

Probably because of the uncertainty last fall about the interpretation of the British preference ruling, grain merchants preferred to "stand pat" and not put grain in winter-storage positions either at Buffalo or the bay ports. At any rate, the bulk of this winter's exports of grain is being forwarded via Vancouver, which is experiencing a record year.

Vancouver Leads Canadian Ports

Vancouver is particularly fortunate with respect to grain storage capacity which, at 17,000,000 bushels, is actually larger by two millions than the capacity available at Montreal, so far, the record holder for exports of grain.

In contrast with Montreal, Vancouver has the powerful advantage of being an all-year-round port. Exclusive of Sundays and the principal legal holidays, the Pacific port has the benefit of at least 300 working days during which grain may be unloaded from cars and loaded into ocean ships. On the same basis, Montreal has not more than 200 working days to unload grain from vessels and cars and to load ocean ships.

It will be realized, therefore, that the Port of Vancouver enjoys fully 50 per cent more working time than that available at the Port of Montreal. Moreover, in addition to her two-million bushels lead over Montreal in actual storage capacity, Vancouver's elevators are available 365 days each year for the storage of "active" grain. In other words, this means 6,205,000,000 bushel-days.

Panama Canal Influence

Since navigation at Montreal is open only about 220 days each year, the great port on the St. Lawrence is able to provide "active" storage for but 3,300,000,000 bushel-days (15,000,000×220). For the balance of each year her elevators are available only for storage of "inactive" export grain.

Vancouver's grain trade depends, of course, very largely upon the Panama Canal, since at least three-quarters of her exports pass through this important artificial waterway. It is said that the Panama Canal will never be quite secure, as in what is known as the "Culebra cut" (the most extensive excavation ever made) a mountain range pushes against the side of the canal, and thus landslides are always to be feared. However, it is to be earnestly hoped that they will never be serious enough to close the waterway indefinitely; or that nothing else will happen to block suddenly this new route from Vancouver to Europe.

Montreal Facilities the Real Problem

Coming now to a brief survey of the chief summer port in the East, the Port of Montreal seems to be the weak link in the chain, despite the optimistic assurances of the chairman of the Montreal Harbor Commission. Many competent authorities are extremely doubtful of the capacity of the port's facilities to handle next season's traffic in grain with the dispatch required by exporters of this important commodity.

According to press reports last September, Senator J. H. Rainville, then chairman of the Harbor Commission, was quite convinced that substantial additions to the bin space of Montreal elevators should be made without delay. He was supported by the Montreal Corn Exchange, representing the grain trade, as well as by the ocean shipping interests, speaking through their association, the Shipping Federation of Canada.

Colonel William I. Gear, a practical shipping man of long experience, who is also a keen student of the marketing and transportation of grain, added his voice to the demand for substantial additional capacity in Montreal elevators.

It should be noted that the foregoing recommendations to the Harbor Commission were made last September, several weeks before the British Government announced the grain-preference ruling, which practically restricts to Canadian seaports to the export movement of Canadian grain to Great Britain.

1928 No Yardstick

While it is true that over 200,000,000 bushels of grain was exported in 1928 through the Port of Montreal, it must not be forgotten that this record was established under the most favorable circumstances, the most important of which was the factor of continuous load of both receipts and shipments.

Due to the fact that a considerable part of these handlings was American grain, there was no midsummer lull in the volume of grain that moved to Montreal by water and by water-and-rail. Now Montreal must depend almost entirely upon Canadian grain-traffic, which tends to move in two "peak" seasons.

The port has, of course, faced and dealt with these peak-loads in past years, largely because a big surplus of canal-vessel tonnage was relied upon to provide additional storage afloat in the harbor, to the extent, on occasions, of more than 4,000,000 bushels at one time. These vessels have been delayed under load in Montreal for periods as long as four weeks, for which detention the owners received not a penny of demurrage from either grain shippers or the Harbor Commission. This congestion, the records show, cost Montreal the loss of a considerable volume of traffic, which was forced to take other routes—principally American.

Congestion of Vessels Costly

The president of one of the larger fleets of Canadian grain carriers states "Our own loss in delays at Montreal in two years can be figured at practically $1,000,000, and these delays have forced freight rates up to a point where grain is diverted in larger quantities to New York and other ports."

This congestion has, prevailed for more than ten years, accounting for the loss to the port of much traffic. In 1923, the general manager of Canada's largest fleet of lake steamships said: "Through delays in Montreal the vessels of our company lose 25 per cent of their carrying capacity."

Further proof that the steamship lines suffer large losses from congestion in Montreal lies in the fact that last year they carried wheat to the rival port of Sorel, fifty miles east of Montreal, at a freight rate one-half a cent lower than the rate to Montreal. On a rate basis of 4½ cents per bushel to Montreal and 4 cents to Sorel, from the transfer elevators at Port Colborne, this represented a reduction of 12½ per cent in favor of Sorel.

Sorel an Aggressive Port

Although the capacity of Sorel's grain elevator is but 2,000,000 bushels, this new grain-handling port exported more than 11,000,000 bushels of wheat to December 9, from the beginning of the present crop-year, August 1. During this same period the Port of Montreal elevators (15,000,000 bushels capacity) handled but little more than 45,000,000 bushels of wheat for export. The ratio in favor of Sorel was nearly two-to-one.

The contrast in the grain activity of the two ports is the more remarkable since Sorel was under the handicap of being a "full-cargo" port only, having no regular passenger-cargo and cargo-liner services to load small lots, or "parcels," of grain at favorable "berth" rates. These scheduled liners make their summer terminus at Montreal.

A third article by Mr. Kirkwood, who is a well known Montreal shipping authority, will outline further his views on the need for larger grain handling facilities in Montreal.

Winnipeg Grain Prices

Week to March 28

Crop year from Aug. 1, 1932 High	Low		Open Mar. 22	High for week	Low for week	Close Mar. 28
		Wheat				
.67⅝	.40½	May	.49⅞	.50⅝	.48¾	.50¼
.56¼	.41¾	July	.51⅛	.51½	.50	.51⅛
.57⅞	.46⅞	October	.52¾	.53⅜	.51¾	.52⅞
		Oats				
.29½	.21⅛	May	.24⅞	.25⅝	.24½	.25⅜
.26⅜	.21½	July	.24½	.25	.24⅛	.24⅞
.25¾	.21⅞	October	.24¼	.24¾	.23⅞	.24⅝
		Barley				
.38½	.26⅛	May	.29⅞	.30⅝	.29¾	.30¼
.35⅝	.26	July	.30⅝	.31⅛	.30	.31⅛
.32⅞	.27¼	October	.30⅛	.31½	.30	.31½
		Flax				
.94	.71¼	May	.79¾	.81¾	.79½	.80¾
.85½	.71⅝	July	.80⅝	.82¾	.80½	.81¾
.88	.76	October	.83	.84⅝	.82⅞	.84⅛
		Rye				
.42⅞	.30¼	May	.34¼	.35½	.33⅞	.35½
.39⅞	.31	July	.35	.36½	.34⅞	.36½
.41⅝	.34	October	.37⅛	.37⅝	.36⅝	.37⅝

Fort William Proposal Has Winnipeg Aflutter

Serious Consideration Given to Move Grain Exchange to Fort William

From Our Own Correspondent

WINNIPEG.—All Winnipeg, and not only the grain trade, is engaged in discussing the possibility of the Grain Exchange carrying out the suggestion put forward last week by some members to move its seat of operations from Winnipeg to Fort William, in order to avoid the heavy taxation in Manitoba.

The idea when first suggested was not taken very seriously, but weight was lent to it when prominent members of different branches of the trade announced themselves as supporters of such a move, and the president of the Exchange, Sydney Smith, also head of the Reliance Grain Co., telegraphed from Chicago to Winnipeg his opinion that such a move might have to be undertaken, or otherwise the excessive taxation in Manitoba would ruin the grain trade. Fort William interests at once bestirred themselves and offers of space came from commercial interests in that city, while the Fort William Chamber of Commerce telegraphed an invitation to the Exchange inviting officials to go to Fort William to discuss the matter.

Would Move Reluctantly

No such move would be undertaken without a great deal of reluctance, and probably a considerable degree of opposition from interests who find Winnipeg a more convenient centre of operation. In some respects Fort William would be a more convenient centre, for trading in Winnipeg is on the basis of grain in store in the terminal elevators at the head of the lakes.

Documents representing such grain could be transferred with greater dispatch, and to some extent with greater economy if it were not necessary to bring them to Winnipeg, although the Winnipeg market has developed a highly organized and convenient method of overcoming the distance that exists between Winnipeg and Fort William. Exporters by the eastern route would find it more convenient if their operations could be carried on at the point of transfer from rail to lake navigation.

On the other hand operators of country elevators would find it inconvenient to have the futures market located elsewhere than at the centre which is found most convenient for the operation of such elevators. That is not an insuperable obstacle, for Regina has long been the centre of operation for the elevators, first, of the Saskatchewan Co-operative Elevator Company, and later of the Saskatchewan Pool, while both the Alberta Pacific and the Alberta Pool centre their operations at Calgary.

Vancouver might find it to its advantage were the Winnipeg Exchange to move to Fort William, for the tendency to decentralization of the grain business would be accelerated, and some members of the trade might find it just as convenient to operate from the Pacific Coast as from anywhere else.

Manitoba tax burdens are resented the more by the grain trade in Winnipeg because to some considerable extent the financial difficulties of the province are due to the government's ill-advised ventures in the grain business.

There was the old venture of many years ago with the Manitoba Government Elevators, which left a permanent debt on the province. There was the business of the wheat pool guarantees which added more than $3,000,000 to the debt of the province, much of which certainly and most of which probably is irrecoverable. And there is the continued participation by the government in the grain business through furnishing money, whether with or without a return on it, which otherwise might be available for other public purposes, furnished by the provincial government.

The grain business is too deeply rooted in Winnipeg for any change such as suggested to be lightly undertaken. But at least pencils are now flying in scores of offices in an attempt to calculate just what, in dollars and cents, such a move might mean.

FARM RELIEF BILL IN UNITED STATES INTERESTS CANADA

Probable Effect on Wheat Crop of U. S. A. Discussed

From Our Own Correspondent

WINNIPEG. — The Farm Relief Bill which is now before the Senate of the United States, having passed the House of Representatives, is of interest and importance to Canada for many reasons, chief of which is the possible effect on world wheat prices through reducing wheat production in the United States to the level of domestic requirements.

Although not yet enacted, it is already a factor in the wheat market, for alterations of opinion as to whether its effects will be hurtful or harmful have already influenced the course of wheat prices in Chicago, and indirectly those prevailing in Winnipeg. On the whole, the prospect of its passing has been a bearish factor in the market, offsetting to some extent the relief that has been felt at the imminent retirement of the United States Farm Board from the wheat market.

Effects Still Uncertain

Uncertainty of opinion as to the effects of the bill is not to be wondered at, since the bill itself gives little clue as to how its avowed objectives are to be carried out. It merely conveys power to President Roosevelt, through the person of the Secretary of Agriculture, to apply a large amount of money, and leaves it to the administration to decide how that money shall be spent.

But it is known that the new Secretary of Agriculture, Henry C. Wallace, is an advocate of reducing United States production of wheat to the requirements of that country, and of withdrawing the country from the business, now found unprofitable, of producing wheat for foreign trade. He may be expected, should the bill pass the Senate in its present form to attempt to bring about a very large reduction in wheat acreage. But it may also happen that the attempt to do that may fail, and be applied in such a way as to lower instead of increase prices, and to force United States wheat into foreign markets.

Hoover versus Roosevelt

The Farm Relief Bill is President Roosevelt's, just as the bill for the creation of the Farm Board, four years ago, was the creation of President Hoover. A principal difference lies in the fact that President Hoover was committed to the idea that it was possible to increase commodity prices by such market manipulation as was indulged in by the Farm Board, while President Roosevelt is committed to nothing except a willingness to try out as an experiment any plan upon which farm leaders can agree.

Effect on Wheat Prices

Should the operation of the plan fall short of its objective, so far as wheat is concerned, of getting the country on to a domestic basis, United States prices, sooner or later, must conform to the general world level, and the reduction in total world supplies effected might be insufficient to have much effect on world prices. Any such effect might be more than lost by the reduction of consumption in the United States due to the higher cost of bread, while millers, able to get back the amount of the tax on any flour exported, might redouble their efforts to export.

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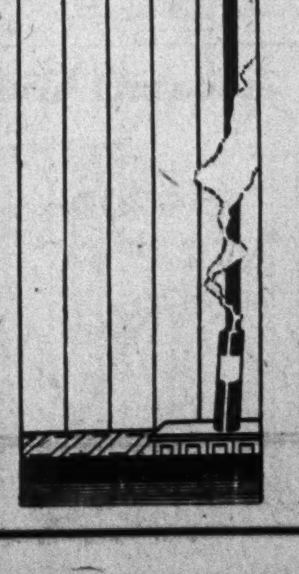

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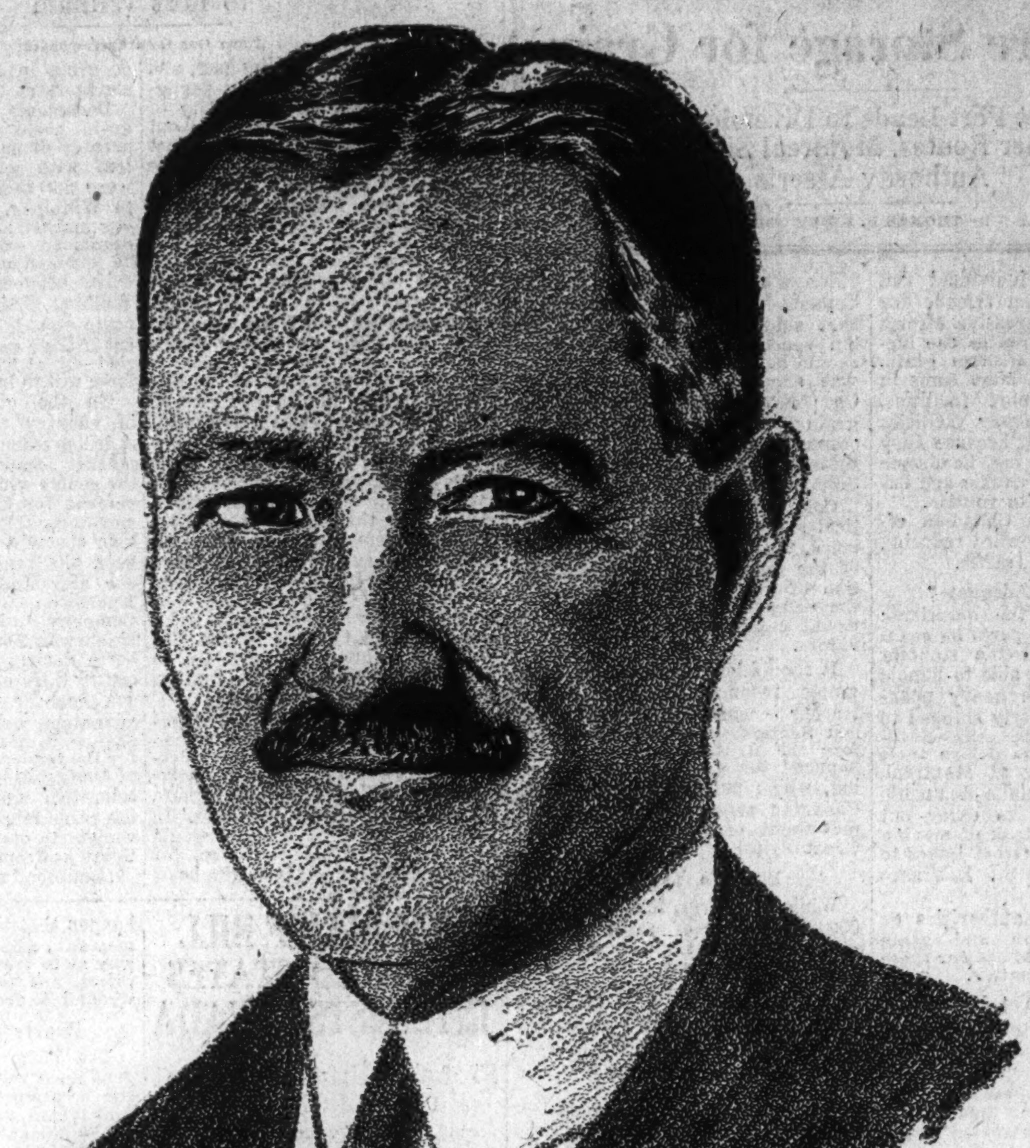

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Number 4 of a series—"WHAT BUSINESS LEADERS SAY OF THE FINANCIAL POST"

Featuring Canadian Mining

SECOND SECTION

THE FINANCIAL POST

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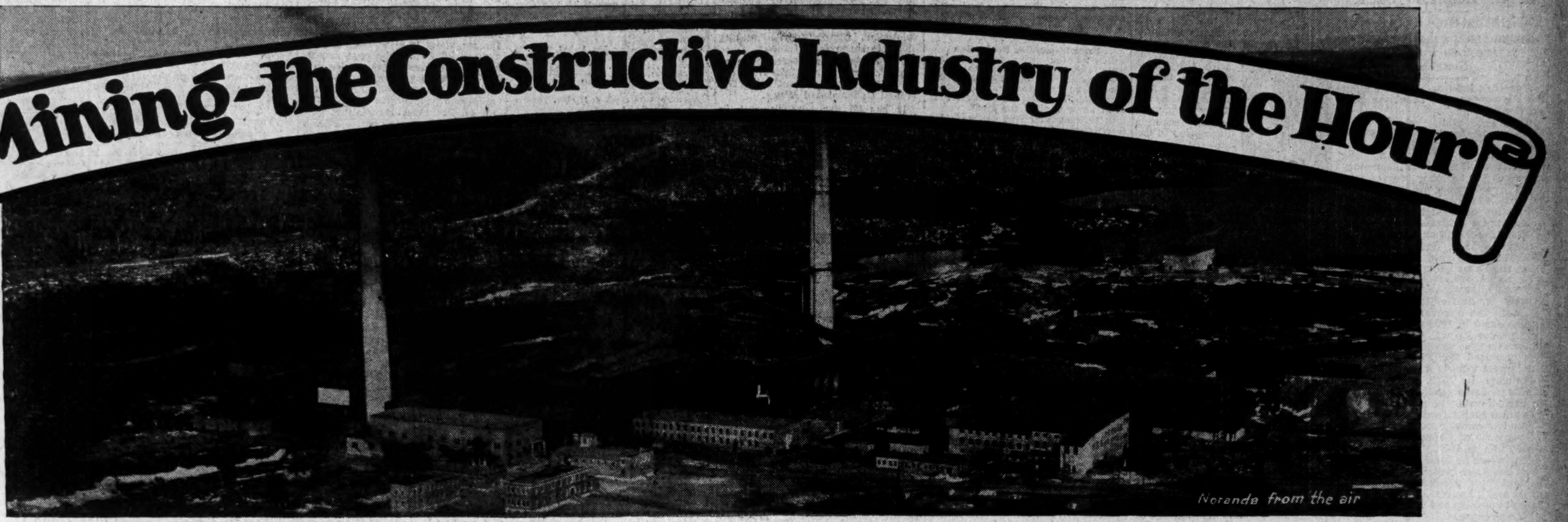

Noranda from the air

ECONOMIC FACTORS SUBJECT OF STUDY TO GOLD INVESTORS

Exchange Compensation Due to Premium Proves Lucrative

INFLATION MOOTED

Economists Differ on Inflation, But Measures Taken in Many Countries Suggest Possibility

Investors in shares of gold mining companies have found it imperative to follow closely the physical developments of mines in order to safeguard their investments, but they have also learned that just as important a factor is the correct interpretation of economic trends, which govern the value of gold production and its costs.

By international agreement nearly a hundred years ago it was established that one ounce of gold was worth $20.67 in Canadian currency at par and a like value in United States funds at par.

When Great Britain went off the gold standard about 18 months ago, Canadian funds, which had been selling practically at par in the United States, started to depreciate. A low point was reached in December, 1931, when the corresponding premium on United States funds, in Canadian currency, reached 25 per cent and gold correspondingly became worth $25.81 per ounce in Canadian funds when wanted by the Government for export to the United States.

Production Stimulated

The immediate effect was to give a great stimulus to the production of gold because of the increased profit. Just how important this premium on United States funds is to Canadian gold producers is shown by a compilation made by The Financial Post covering Canada's ten leading gold producers which account for more than 70 per cent of the total production. Based on the costs prevailing in 1932, 25 per cent premium on United States funds is equivalent to 60 per cent advance in the average operating profits of these ten leading companies.

The following tabulation shows the increase of gold comparing earnings made possible when the U. S. dollar is at various premiums in Canadian funds:

Profits Increase

Value of Gold Per Ounce	Equivalent Premium	Increase In Profit
$	%	%
22	6.4	13
23	11.3	24
24	14	36
25	21	48
26	25.7	60
27	30.5	72
28	35.5	85

When premium on United States funds became an important factor to Canadian gold producers, the Canadian Government instituted an embargo on the shipment of gold except under order, but agreed to purchase Canadian gold production at the Royal Mint, Ottawa, and to pay on the basis of the average price prevailing on United States funds, and in this way to divert the movement of gold into one channel for the settlement of international obligations.

There has been much speculation among gold miners and those interested in gold mining stocks as to the future trend of premium on United States funds. In 1932 the

(Continued on page 18)

Mining Speculation Has Necessary Place In Mines' Development

Rock Temperature At 5,445 Ft. is 75° F.

Temperature of underground workings does not promise to be a factor deterrent to deep mining in the Kirkland Lake area. With the Teck-Hughes Gold Mines projecting work to an immediate objective of 6,700 ft. and the Kirkland Lake Gold Mining Co. already down 5,445 ft., the deepest of any gold mine on the continent, it becomes evident that so long as the ore exists it can be followed.

At a depth of 5,445 ft. the rock temperature is about 75 degrees Fahr. and is increasing at the rate of one degree for each 200 ft. in depth.

BASE METAL MINES WELL INTRENCHED TO MEET FUTURE

Canada's Principal Producers Have Secure Position

Within the past decade Canada has taken a prominent position among the base metal producing nations of the world. Not only does she dominate the nickel production of the world and enjoy practically a monopoly, but as a producer of lead and zinc is gaining importance while her copper mines, owing to the value of the associated metals, rank among the lowest cost producers in the world.

Lack of interest in the leading base metal producers has been reflected in stock market valuations, while the gold stocks have shown increased popularity. During adverse times the demand for base metals invariably slumps and with this slump comes a corresponding decline in earnings, depression of share prices. Conversely gold mining thrives on economic adversity due to lower production costs, a fixed sale price which is often sweetened due to premium on exchange.

For holders of securities in base metal mining properties, therefore, any improvement in general conditions that would affect the demand for metals and stimulate prices is of greatest concern.

An Age of Alloys

Down through the ages base metals have been inseparably associated with the commercial and industrial progress of mankind. They are essential metals in that their use creeps into almost every phase of the industrialization of man. To the ancients bronze was about the only alloy to be used extensively. During the past century there has been unprecedented activity in the development of machines and products calling for the use of base metals and even greater activity in the past two

(Continued on page 18)

Salient Points For the Investor to Observe

BEWARE OF BOOMS

Personnel Behind All Enterprises is One of Most Essential Factors

By DOUGLAS G. H. WRIGHT, B.Sc., Consulting Mining Engineer and Geologist

The growing importance, within recent years, of the mining and metallurgical industries of Canada, as well as Canada's future possibilities, has at last gripped the masses of the people as well as the leading financial institutions of the country. The annual report of practically every Canadian bank stressed the importance of the gold mining industry to the country. This mining industry now ranks second only to agriculture among the country's basic industries. It is quite within the realm of possibility that it may exceed even agriculture eventually. Illustrative of the rapid growth of the industry, the value of the annual mineral output of the Dominion, which was $10,221,255 in 1886, or $2.23 per capita, has risen until in 1929 a new high record was set when the value of the output reached $310,850,246 or $31 per capita.

D. G. H. WRIGHT

Gold Mining Importance

It is inevitable that, when the gold mining industry is enjoying such rapid increases in growth, and when the financial institutions of the country are pointing to the increasing importance of the industry and its part in nation building, that attention of the public should again be focused on investments and speculations in mining stocks. The resultant enthusiasm of the public, without proper restraint, carries the price level of mining shares above that justified by immediate earnings, and discounts probable future earnings far in advance. Such a state tends to bring on "boom conditions" which in mining, like in any other industry, are the curse of that industry. Public confidence in the mining industry was never more justified than it is today. Inflation and violent fluctuation of stock combined with market manipulation should be restrained in order not to jeopardize public confidence in the mineral industry. The public are often told to seek the advice of bank managers, but few of these have had experience in our mining camps. The result is that most bankers look upon the mining industry as ultra speculative, if not an outright "horse racing" gamble. Apropos of this, the late Cecil Rhodes made the following statement before a gathering of financiers and bankers in England. "I speak advisedly and say what every man who has investigated knows to be the truth,

(Continued on page 17)

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Canadian Mining Institute and Industry Synonymous

Thirty-fourth Annual Meeting, to be Held in Toronto, on April 4, 5 and 6, Will be Important Affair

As mining has advanced during the twentieth century from a comparatively small place in the Canadian scheme of things to a position of commanding importance, the Canadian Institute of Mining and Metallurgy and its various activities have come to bulk more and more largely in the record of Canadian progress. It is true not only that mining advance in Canada has given the Institute the prestige it now enjoys but that members of that Institute have contributed in great measure to that advance and have had behind them the support, goodwill and sympathy of the Institute as a whole.

In the years of depression the relative place of the Industry and of the Institute in Canada has grown and members at the annual general meeting in the Royal York Hotel, Toronto on April 4, 5 and 6 will look back on a year of marked advance in the importance of the industry and therefore of the Institute.

Formed in the Early Nineties

The debates from year to year of this important body on the papers, presented by outstanding engineers in various parts of Canada, would constitute a history of mining in the Dominion from the outset of the twentieth century. Though provincial organizations early in the '90's preceded its formation by several years, there has been during the current

(Continued on page 18)

World Silver Situation Not Result of Production Which is at Low Levels

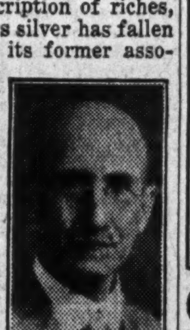
Demonetization of Metal Released Large Quantities of Silver

COMMODITY ONLY

Hope of Improved Prices, Therefore, Rests in General Advance of Commodities

By ARTHUR A. COLE, M.A., B.Sc., Mining Engineer

Gold, silver and precious stones have frequently been grouped together in the description of riches, but in recent years silver has fallen away sadly from its former associates. With the enormous expansion of world trade in recent years, more and more of the precious metals have been required.


A. A. COLE

Production has kept up fairly well with this increased demand, but it is thought by some that the fall in the price of silver has been due in large measure to the rise in production of silver as compared to gold. An examination of the facts, however, shows that the ratio of silver production to that of gold is actually falling. The ratio of world production of silver to gold during all recorded history, averaged 14½ to 1, while for the years 1900 to 1930, the average ratio was 10.7 to 1, materially lower than the all-time average.

Demonetized Silver Coinage

The most potent cause of the recorded-breaking fall in the price of silver in recent years, has been the demonetization of silver coinage by most of the great powers, with the notable exception of China. For this reason, silver must now be considered more in the light of a "commodity" than ever before.

The functions of silver are fourfold, viz.:

(1) It is used as a commodity in the arts and industries and in the metal trade.

(2) As a standard of value, as in China.

(3) As an international medium of exchange for the settlement of balances between silver standard countries (such as China) and the rest of the world.

(4) As subsidiary money in countries where it is not the standard of value.

Each of these four "natures" of the metal silver, has its influence on the market and to ignore any one of them in the consideration of silver problem, will surely lead to a wrong conclusion.

Silver Brought Back

A physical property that must also be considered, is the practical indestructibility of silver. The silver that goes into jewellery, coinage or any form in which it may be hoarded, is not permanently withdrawn from the market but may be brought back by constantly chang-

(Continued on page 17)

Mining Meet Draws Distinguished Guests

Toronto mining men are making preparations for the thirty-fourth annual meeting of the Canadian Institute of Mining and Metallurgy to be held in the Royal York Hotel, to be the biggest in the association's history. This year's slogan will be "Mining—The Constructive Industry of The Hour."

National importance is lent by the appearance of Rt. Hon. R. B. Bennett, as the guest speaker, aided by such personages as R. C. Stanley, president of the International Nickel Co.; Dr. Sydney W. Smith, president of the Institute of Mining and Metallurgy, London and Sydney H. Ball, president of the Mining and Metallurgical Society of America.

GREAT BEAR LAKE OFFERS BIG FIELD FOR PROSPECTING

Remoteness No Barrier to Aggressive Exploration

No other mining area in Canada has gripped the imagination of the public at large nor created the interest as has the radium ore and silver find at Great Bear Lake, pioneered by the discovery made by Gilbert LaBine early in 1930, on the point that now bears his name in Echo Bay, the southeast arm of the lake.

In the past three years this northern outpost of Canadian mining has attracted what is called a "rich man's rush." It lies some 1,200 miles north of Edmonton, the chief jumping off place for the new area. Waterways, 300 miles north of Edmonton is rail head and from this point the choice of routes lies between scheduled airplane service operating the year round except during the seasonal break-up, and boat service down the Athabaska River, Lake Athabaska, Slave River, Great Slave Lake, Mackenzie River to Fort Norman, thence up the Bear River and 250 miles east across Great Bear Lake to Echo Bay, in all a water route from Waterways of some 1,400 miles as compared with the airplane route from Waterways of 800 miles.

Over 2,000 claims have been recorded as staked in the area, but principal interest centres about the original LaBine find, owned by the Eldorado Gold Mines. Here exploration and development work has been efficiently and aggressively prosecuted aided in the latter part of 1932 by the installation of a Diesel engine-driven mining plant. In midsummer, 1931, 17 tons of high grade pitchblende were shipped out for test and in the 1932 season 36 tons were shipped out by

(Continued on page 18)

GOLD STANDARD RULES SUPREME AS MONEY BASIS

Modification May be Necessary to Meet Present Crisis

SILVER HAS PART

Coalition of English-speaking World Needed to Effect Changes

By H. S. DENNY, C.B.E., S.M.B. Consulting Mining Engineer

The metal "gold" throughout the ages was never more prominently before the minds of humanity than it is today and like the Rock of Gibraltar it has withstood shock after shock and still stands preeminently as the tried and tested standard of man's faith in the thing called "money."

H. S. DENNY

The conventional gold standard may have to be modified and in fact it assuredly must be modified in many countries, but the gold basis is more than ever part of the present and an assured factor in the future. Canada may well be proud of the fact that she stands in second place among all countries of the world in gold production, and her prospects of future development are thought to be equal to if not better, than those of any other country. The economic situation in all its agitation is centring round gold and something drastic—something in the way of a major reformation is at hand.

Conflicting Opinions

Out of the conflicting and bewildering mass of reports, articles, speeches, pamphlets, radio announcements and pulpit orations it is not easy to draw clear or logical deductions as to the trend of thoughts or events in the present economic chaos. So many colorful, convincing and impressive statements have come from high quarters that the temptation at the time of hearing is to lean to the particular one then being delivered but in turn this is so apt to be shaken by the next one, that the feeling of uncertainty and hesitation becomes accentuated.

Nevertheless nothing could be more manifest than the desire, and in fact the yearning from all quarters to arrive at something that would bring peace to the warring elements and it may not do any harm to show briefly the sequence of events which appear as the successive steps essential to a recovery of normalcy.

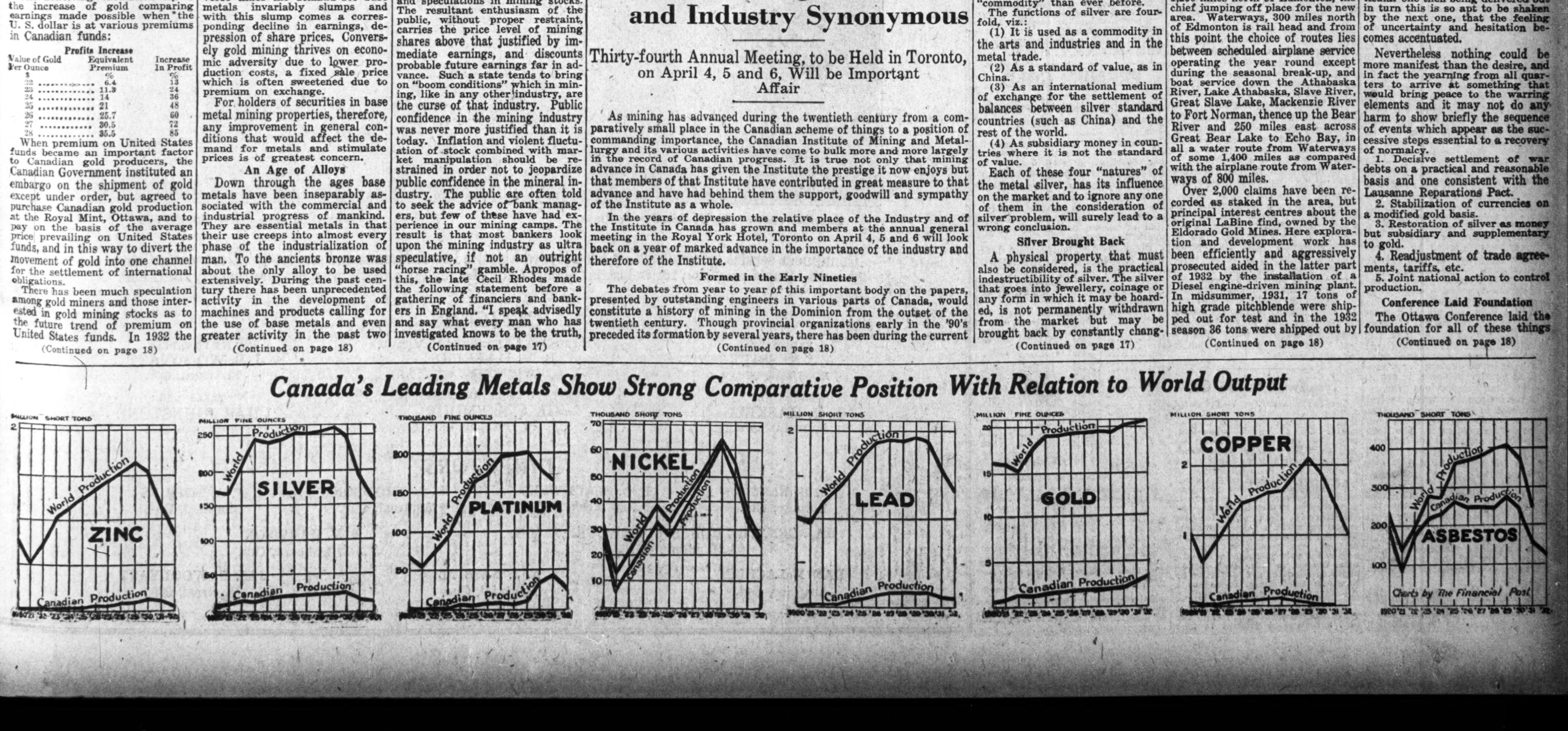
1. Decisive settlement of war debts on a practical and reasonable basis and one consistent with the Lausanne Reparations Pact.
2. Stabilization of currencies on a modified gold basis.
3. Restoration of silver as money but subsidiary and supplementary to gold.
4. Readjustment of trade agreements, tariffs, etc.
5. Joint national action to control production.

Conference Laid Foundation

The Ottawa Conference laid the foundation for all of these things

(Continued on page 18)

Canada's Leading Metals Show Strong Comparative Position With Relation to World Output



MINING INTEREST IN ALL PROVINCES CENTRES ON GOLD

Ontario Leads in Output With Quebec Gaining Rapidly

B. C. COMES BACK

Rebirth as Gold Sources of Forgotten Areas Adds Interest to Further Search

Popular interest in Canadian mining now centres about the production of gold.

That gold mining should overshadow other kinds of mining during the last three years of economic depression was only to be expected as it has been commonly referred to as the "depression-proof" industry and one that thrives on periods of adversity due to lower production costs and the constant value for its product.

From the inception of production records in 1858, Canada produced $896,374,162 in gold to the end of 1932, the latter being a record year with an output of $63,061,103.

Ontario has accounted for almost exactly one half of this production, yet until the discovery of the Porcupine camp in 1909 Ontario's total gold production was but $2,699,750. Since this time the Porcupine camp has produced $306,475,904—by far the largest total of any camp in the Dominion. In 1931, however, the Kirkland Lake camp edged ahead in annual value of production and has since maintained that position. These two camps accounted for over 71 per cent of Canada's total gold production in 1932.

Important as these two areas are, they have not contributed any important new producers in recent years and it has remained for newer areas to develop and swell the ranks of the producers.

Howey Has Low Costs

Foremost among Ontario's new producers is the Howey in the Patricia district, production from which was started in 1930. Although 110 miles from the railway and treating the lowest grade gold ore in Canada it has, by the reason of its operating costs, been able to win its laurels as Canada's lowest cost gold producer.

In 1931 the Michipicoten district, long known for its promising indications, stepped into the ranks of the producers with the commencement of production by the Minto and Parkhill mines. In August, 1932, the Matachewan area made its debut as a gold producer, when the Ashley Gold Mines, staked two years previously, started operations, thus reincarnating interest in another long neglected area. Early in 1932 the Moss Gold Mines, Ontario's oldest gold producer, underwent rehabilitation and started production.

In the Swayze area, pioneered by the Kenty Gold Mines, and staked less than two years ago, are developments of such an interesting nature that it bears the earmarks of a new gold camp.

Second only to Ontario comes Quebec in the ranks of the gold producers. From the gold found associated with the copper ore at the Noranda Mines, can be attributed the province's rapid advance as a gold producer.

Quebec Now Second

Pioneered by the achievements of Noranda, Quebec is currently Canada's fastest growing gold-producing province. Within a belt extending 100 miles east of the interprovincial boundary are developments that have attracted attention as has no other section of the Dominion. Pioneered four years ago by the commencement of production by the Siscoe Gold Mines this belt has since witnessed steady growth. Granada started operations two years ago and O'Brien-Cadillac and Bussieres last year. In addition, prospecting has been rewarded with finds that are under aggressive development and give great promise of swelling the ranks of the producers. Twelve miles west of Noranda, Arntfield Gold Mines has by consistent efforts lengthened Quebec's belt of potential producers.

About 16 miles northwest of Noranda is the Beattie Gold Mines which is nearing completion of construction of the largest initial gold mill in Canada to test a large low-grade gold ore deposit that may revolutionize preconceived notions of production costs.

Manitoba to the Fore

Manitoba has had its quota of successes resulting in new mills to swell the growing ranks of the gold producers in this province.

While the Flin Flon base metal operations contribute the major part of Manitoba's gold, the Central Manitoba property has been struggling for five years in its pioneer effort to prove what is known as the Central Manitoba area. This operation was joined last May by a new neighbor, the San Antonio Mines. Last year two more Manitoba areas came into prominence. The Island Lake, which is being pioneered by Ventures Ltd., and equipped with a pilot mill planned for operation this summer, was followed by a spectacular discovery at God's Lake farther north by the veteran prospector Robert Jowsey, who is conducting an aggressive exploration development programme.

British Columbia played a spectacular rôle in the revival of interest in gold mining during 1932. The Premier Mine in the Portland Canal area demonstrated that a good mine dies hard by accounting for a production greater in value, if not in volume, than the previous year.

In the Nelson area was a revival of interest in gold mining such as has not been witnessed in the long history of this old camp. The Reno Gold Mines expanded its holdings following the destruction of its mill by fire and rehabilitated a former producer to resume production early this year.

Bridge River Area Active

In the Bridge River area the Pioneer Gold Mines after four years of steadily increasing production stepped ahead rapidly last fall when its milling facilities were increased threefold due to the encouraging development of the property.

Fired by the success of the Pioneer property the Bridge River district took on major gold camp proportions and had its production swelled by the commencement of operations at the Lorne property. In the hands of a new group, the Bralorne Mines, a long neglected property, is giving an excellent account of itself from initial production while adjacent properties take on new importance under the direction of substantial mining companies.

No district in British Columbia has created such controversy and interest as has the old Cariboo, famous years ago for its rich placer gold deposits. Early this year the Cariboo Gold Quartz Mines started production from the lode veins on Cow Mountain near Barkerville, which are believed to be the source of the placer deposits. After a struggle and opposed by prominent authorities this company succeeded in launching production that has attracted leading mining companies to the area, and so another long neglected camp is being given a test for its gold producing potentialities.

Science Triumphs To Give World Ample Lead Supply

Canadian Metallurgists Work Out Knotty Problem That Places Dominion in Front Ranks of World Producers

By R. W. BRIGSTOCKE
Consulting Mining Engineer

A survey of the principal lead producers indicates that the world is well fortified with an adequate potential supply and that Canada's known deposits are comparable with the lowest cost lead mining operations anywhere which not only evidences Canada retaining its position in the industry but also gives assurance against abnormally high lead prices in the future due to inadequate production.

R. W. BRIGSTOCKE

Some are of the opinion that as major discoveries of lead mines have been so few since the beginning of the century that lead supplies would soon be inadequate. They cite the two major discoveries during the past 30 years the Burma deposits in Rangoon and the Mount Isa deposits in Northern Australia. These are big mines, the Burma deposits having ore reserves of about four and one-quarter million tons containing 20 ounces of silver, 25 per cent lead and 15 per cent zinc per ton. The Mount Isa deposit has 27 million tons of sulphide ore containing six per cent lead, eight per cent zinc, and three ounces of silver per ton and also 3.6 million tons of carbonate ore containing nine per cent lead and 3.6 ounces of silver per ton. The great Sullivan mine owned by the Consolidated Mining & Smelting Co. of British Columbia has huge ore reserves containing 10 per cent lead 5 per cent zinc and four ounces of silver per ton.

Many Complex Ore Bodies

These, however, do not constitute the potentialities of the true picture of the lead supplies of the world.

In addition there are almost innumerable bodies of complex ores, both large and small in many parts of the world, which have been known for years and in many cases for decades but which did not become of economic importance until selective flotation had been brought, by metallurgists, to its present state of perfection. Such ore bodies, until within the past eight years, were of little commercial importance owing to their physical characteristics and were not sufficiently amenable to gravity concentration to allow their minerals to be profitably separated.

Owing to the intimate association of lead, zinc and silver, the production of lead depends to a great extent on the price of zinc and silver.

Sources of lead supplies are to be found in the complex ore bodies of lead, zinc and silver situated all over the world.

The story concerning the lead supplies blends itself into the story of the advance in oil froth flotation leading on to selective flotation.

Canadians Develop Flotation

The serious study of selective flotation (commonly known as the oil flotation system of concentration) began in Canada, about 1919 at Trail, B.C., by metallurgists of the Consolidated Smelters. They devised the most economical means of turning the Sullivan ore body into the highest state of earning power. At that time a very difficult problem. This study by 1920 resulted in an experimental plant being built at Trail that was gradually increased in size to 1,100 tons of ore per day. On the data that this plant afforded, the big modern concentrator at Kimberly, B.C., near the Sullivan mine, was built.

Strange as it may seem now the world in 1923 was beginning to fear a shortage of lead but at that time there was not much known generally concerning selective flotation. In 1927 what a contrast.

O. C. Ralston in Mineral Industry, 1927, states:

"No longer is there fear of the future supply of lead. In fact, the reverse situation prevails and certain interests are cursing the oversupply that has lowered the price of lead to the point where it is difficult to make profits. At a meeting of the Mining and Metallurgical Society of America the subject discussed was: 'What is the trouble with lead—if any?' During the discussion it was pointed out selective flotation was probably the biggest factor in the situation. Selective flotation is the curse of the metal market, and while few new lead mines are being opened, selective flotation is bringing much new lead on to the market."

Price Stimulates Production

Due to the rising price of lead metallurgists were driven to higher attainments. On this continent they reached an important position about 1925 and Canadian metallurgists at Trail being well to the front.

In 1926 metallurgists declared that selective flotation was in its infancy, which has proven true.

About this time owing to the trend business activity, the demand of storage batteries to satisfy the automobile trade, was at a peak which, with the demand for lead covering by cable companies, forced the price to 10 cents a pound in New York and £37 in London. This forced more intensive prospecting and higher attainments in selective flotation increased the supply and also what was also of great importance, cleaner concentrate arriving at the smelter.

Selective flotation is gradually arriving at the status of a science and science never lapses but goes on continually to higher achievements. This tendency is to increase the profits for the lead producer and give the consumer an adequate supply.

Lead Output Gains

The effect of selective flotation on lead supplies may be illustrated by what occurred up to 1927 when the total increases due to selective flotation were estimated to be as follows:

Canada	110,000 tons or 73 per cent
U. S. A.	110,000 tons or 16 per cent
Mexico	70,000 tons or 26 per cent
North America ..	290,000 tons or 26 per cent
World as a whole.	440,000 tons or 24 per cent

Thus the influence of flotation is being felt throughout the world, because like every other science its knowledge instantly spreads and is taken up by all countries.

No serious substitute has ever been found for lead and no serious competitor appears on the horizon.

World Production of Lead
(Long Tons)

	1929	1930	1931
British Empire	409,000	398,000	363,000
United States.	638,988	548,537	371,297
Mexico	224,478	211,167	204,000
Spain	140,498	121,317	120,267
Germany	122,264	133,620	120,000
All other countries ...	184,772	217,259	181,436
World's total..	1,720,000	1,630,000	1,360,000
Canada	135,915	135,925	124,307

With the Canadian lead production registering such a large percentage increase in the world output, climbing from 34,381 tons in 1921 to 142,605 tons in 1931, Canada's consumption was unable to keep step. In 1931 the Canadian consumption was less than two per cent while the British Empire consumption was about 25 per cent and United States about 32 per cent.

Selling Price Low

The past three years have shown that metals selling below the cost of production benefit none. A sudden burst of world business activity would doubtless bring up the price of lead but the miner and the metallurgist will again step forward and produce increasingly" with every fraction of a cent per pound rise in price, which will act as a governor toward keeping abnormal prices from being attained. The best authorities consider a price of five cents per pound in New York and £19 to £20 per ton in London (£1 equals $4.86) about as fair a price as is possible to estimate that will be satisfactory to the miner and to the consumer.

It is agreed that there are ample lead supplies in the world and ample technique to place it on the market at a fair price and a price satisfactory both to the producer and consumer.

Refining Capacity Large

The following table of production and refining capacity in Canada of lead, presents Canada's lead position in the British Empire. The years 1928-29-30 are purposely selected as being nearer a true picture of the actual status of Canada's refining capacity of lead, in comparison with the requirements of the British Empire and the world.

It must also be remembered that Canada's only lead refinery is situated at Trail, B.C., and owned by The Consolidated Mining & Smelting Co.

Summary of Canada's Lead Position

Canadian production (average 1928-29-30), 165,870 tons.

Canadian consumption (average 1928-29-30), 36,045 tons.

Canadian refining capacity, per year, 157,000 tons.

Ratio Canadian refining capacity to Canadian production, 95 per cent.

Ratio Canadian refining capacity to Canadian consumption, 436 per cent.

British Empire production (average 1928-29-30), 560,209 tons.

British Empire consumption (average 1928-29-30), 352,823 tons.

Ratio Canadian refining capacity to British Empire production, 27 per cent.

Ratio Canadian refining capacity to British Empire consumption, 44.5 per cent.

World production (average 1928-29-30), 1,868,770 tons.

World consumption (average 1928-29-30), 1,792,128 tons.

Ratio Canadian refining capacity to world consumption, 8.7 per cent.

PREMIER GOLD

New Properties Give Promise of New Mines

Premier Gold Mining Co. was incorporated in 1919 by the American Smelting & Refining Co. to develop a gold property in the Portland Canal mining division of British Columbia that has proven to be the greatest gold producer in the province, but which, due to depletion of known ore, is having its operations curtailed.

Dividends distributed since 1921 total $16,629,504, the fifth largest of any gold mine in Canada.

The following tabulation gives the production since inception of operations.

Production in Calendar Years

Year	Tons Mined	Production	Recov. per ton
1919	488	*$165,000	*$338.00
1920	799	*124,000	*155.19
1921	4,356	*1,400,000	*321.40
1922	102,334	4,782,885	46.75
1923	145,665	3,252,917	22.33
1924	159,014	3,857,328	24.26
1925	168,557	3,267,214	19.96
1926	230,987	3,782,032	16.37
1927	244,172	3,737,565	15.31
1928	275,811	3,180,117	11.53
1929	266,972	2,404,980	9.01
1930	256,836	1,996,748	7.77
1931†	242,317	1,648,350	6.80
1932	221,718	1,781,672	8.08
		$35,380,808	

*Approximate.
†Includes Prosperity production.

Common Shares—Par, $1. Issued, $5,000,000.

Price Range:	High	Low	Mar. 24
1933	.82	.60	.70
1932	.75	.32	...

Earned: 1932, $0.021; 1931, $0.021; 1930, $0.001.
Dividend Rate: 12c.; yield 17.14%.
Listed: Standard Stock & Mining, Toronto Montreal Curb; New York Curb; Standard Stock Exchange, Spokane; Vancouver Stock Exchange; Winnipeg Stock Exchange.

Treadwell-Yukon Co.

Treadwell-Yukon Co., incorporated in 1924 as a subsidiary of the Bunker Hill, & Sullivan Mining & Concentrating Co., to operate silver-lead properties in Yukon Territory has only about 10 per cent of its outstanding capitalization in the hands of the general public. Principal interest in the company in Canada centres about its development of the Errington Mines at Sudbury, a lead-zinc-copper property that showed interesting possibilities with higher prices for base metals but which is now closed down. Renewed interest in its Canadian operations was manifested when it acquired a gold prospect in Pascalis area, Quebec, in 1931, which is now under development and production by Bussieres Gold Mines, formed as a subsidiary to operate the property.

Treadwell-Yukon has never shown a profit from its operations, largely due to its widespread interest in base metal properties. Finances have been advanced by the parent company and its associated companies to the extent of approximately $8,500,000.

HURONIAN MINING

Extensive Investment Interests in Many Fields

Huronian Mining & Finance Co. is a reorganization and consolidation effected in 1929 of the Huronian Belt Co. and the Pioneer Mining Corp., formerly controlled in England but now directed by Toronto interests headed by Home Smith.

It operates as a holding and development company with mining interests throughout Canada.

The company is interested in or controls several subsidiary operations, its most important being the Vipond Consolidated Mines.

It has 25 per cent interest in Prospectors Airways controlling the McMatters find, an interesting prospect in Rouyn township Quebec.

The company's principal income is from its investments since upon incorporation its most important subsidiaries purchased shares in the parent company for cash providing funds for its investment programme.

Its liquid assets at March 31, 1932, including mining company shares at cost, amounted to $931,699 as compared with current liabilities of $28,501.

The future of the company rests upon some of its subsidiary interests coming through as profitable mines or from its investments proving important. Of the companies controlled, Vipond alone is a producer, but at present not on a profitable basis. At one time the company had an extensive exploration programme, but this has been curtailed.

Common Shares—Par, No. Issued, 2,013,026.

Price Range:	High	Low	Mar. 24
1933	.40	.25	.35
1932	.35	.13	...

Earned: 1932, $0.00136; 1931, $0.0026.
Yr. end. Mar. 31.
Listed: Standard Stock & Mining, Toronto.

See New Manitoba Industry

"Balm of Gilead" mucilage may be the next new product to be made from a Manitoba natural resource. The Balm of Gilead tree, commonly called black poplar, is widely spread over Manitoba, but has little use up to the present. It contains, however, large quantities of gum which may serve as the basis for adhesive.

ARNTFIELD

Steady Programme Fits Mine for Early Production

Arntfield Gold Mines was incorporated in 1925 by F. S. Arntfield and is controlled by the Arntfield Mining Syndicate. Principal finances for development have been provided by a Pittsburgh group.

The company's property consists of approximately 1,867 acres in Boischatel township, Rouyn district, Quebec, about 14 miles west of Noranda Mines. For the past several years the company has been carrying on an unostentatious, consistent, uninterrupted, if limited development programme to prove up one of the most interesting gold prospects in that area. For a length of approximately 9,000 ft. across the property cross trenching has indicated a main mineralized zone from 100 to 200 ft. wide containing lenses of gold ore up to 30 ft. in width. An incline shaft has been sunk to a 210 ft. vertical depth and over 2,000 ft. of lateral work done on this lower level, which has opened up a section about 400 ft. showing commercial ore. On the 70 ft. horizon considerable work has been done showing some of the best ore in the mine. Diamond drilling last year encountered a vein 25 ft. in width at a vertical depth of 325 ft. and 425 ft. This past winter the company's operations were considerably augumented by the installation of a new Diesel engine driven compressor and work is now directed at opening up the property for production.

The finances of the company have been conservatively handled and its sponsors have never permitted development to exceed financing arrangements.

Common Shares—Par, $1. Issued, 1,700,000. 1,210,000 shares held by Arntfield Mining Syndicate.

Vancouver Building Improves

The value of new building construction undertaken in Vancouver during February, stimulated by a recent $100,000 permit covering the extension to Lapointe pier on Burrard Inlet, shows an increase of 42 per cent over the preceding month and an increase of 1.3 per cent over February last year.

Moss Gold Mines

Moss Gold Mines was incorporated in 1927 and financed in 1931 by a Montreal group, to rehabilitate one of Ontario's earliest gold producers known as the Huronian mines, consisting of approximately 900 acres in the Moss township, Thunder Bay district. It is the only good producer in the area, operations having been inaugurated by the present company in March, 1932, with a 100 ton mill. Mine developments by the present company have been carried to a depth of 775 ft. Early in March, 1933, H. W. Howe reported on the property, and his findings were that no ore reserves were blocked out and that initial operations had incurred a loss. Additional finances are to be provided to undertake an extensive development programme. On the success of the proposed developments rest the profitable possibilities of the property.

Production for 1932 amounted to $173,903 from 25,363 tons of ore milled, an average recovery of $685 per ton.

Common Shares—Par, $1. Issued, $4,000,000.

Price Range:	High	Low	Mar. 24
1933	.40	.12	16½
1932	.45	.19½	.....

Listed: Standard Stock & Mining, Toronto; Montreal Curb; Winnipeg Exchange.

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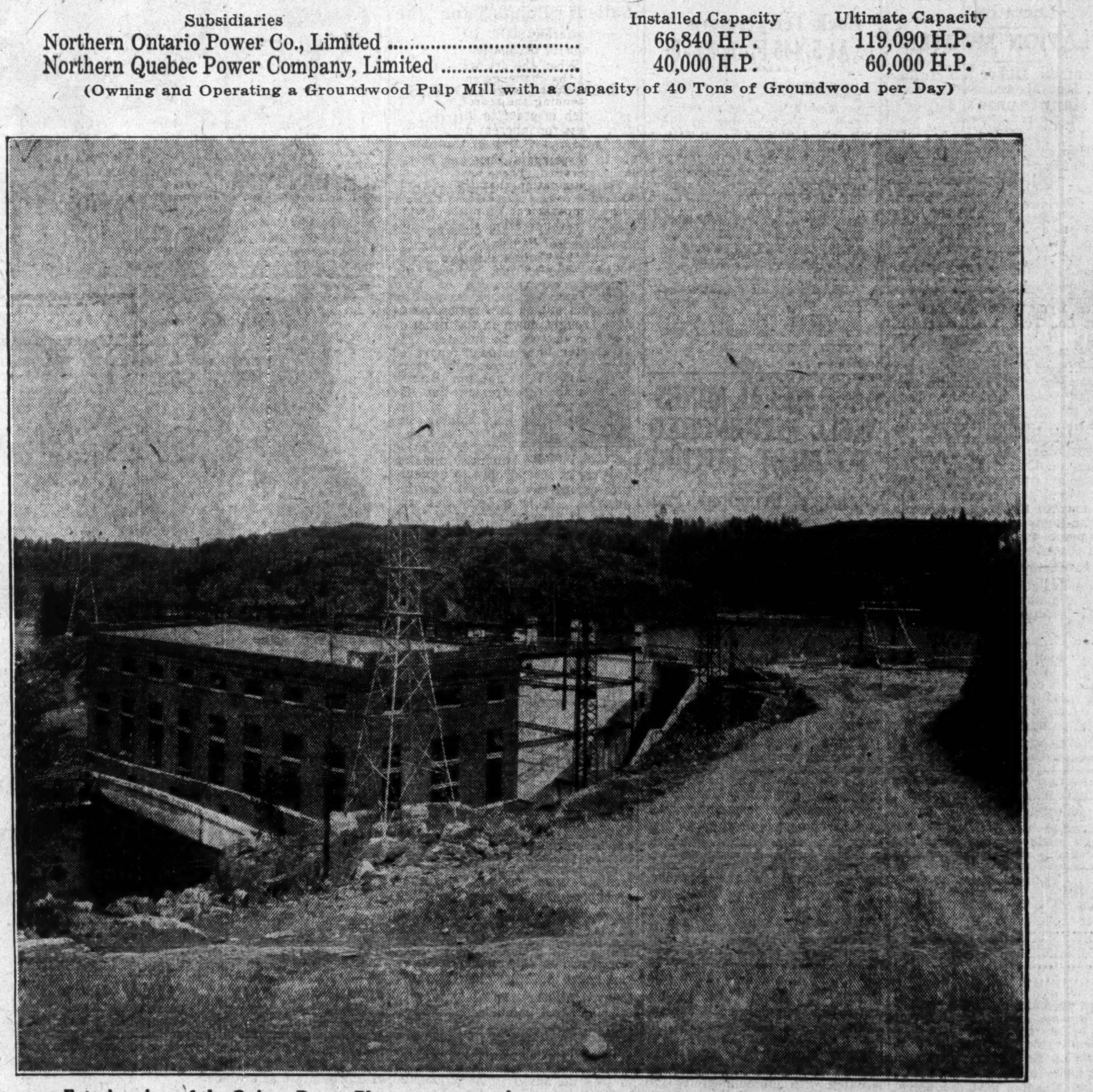
Subsidiaries	Installed Capacity	Ultimate Capacity
Northern Ontario Power Co., Limited	66,840 H.P.	119,090 H.P.
Northern Quebec Power Company, Limited	40,000 H.P.	60,000 H.P.

(Owning and Operating a Groundwood Pulp Mill with a Capacity of 40 Tons of Groundwood per Day)



Exterior view of the Quinze Power Plant. Installed capacity — 40,000 H.P.

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SWAYZE FINDS GIVE PROMISE OF GOLD CAMP

Important Companies Have Big Programmes Under Way

The Swayze is heralded as one of the most promising new potential gold camps in Ontario. It is about 120 miles northwest of Sudbury within easy access of and lying between the Canadian Pacific and Canadian National Railways. Interest was first attracted to the area in September, 1931, with the discovery made in the northeast corner of Swayze township, by J. C. and J. L. Kenty, prospectors working for the Brett-Trethewey Mines and associated interests.

Nowhere else in Ontario is there such activity, interest and hopeful development as in this new field. Already adjacent townships have been staked and many large and responsible mining interests are aggressively prosecuting development work.

The encouragement met with in the development of this section again gives emphasis to the value of prospecting close-in areas where geological conditions are favorable and where transportation offers but few problems. The Ontario Government has constructed a road some 21 miles in length from Sultan on the Canadian Pacific Railway to the Kenty find, and airplane transportation is available from the base at Chapleau, Ontario.

Shaft Sinking Started

Owing to the various interests associated in the original find, the Kenty Gold Mines was incorporated in September, 1932, to undertake development. Here exploration is already well advanced and a large number of veins have been disclosed by surface trenching, some showing spectacular free gold, suggestive of the "golden sidewalk" of the early days of Dome Mines. Late in December last a complete Diesel engine-driven power plant was installed and two shafts started, 1,800 ft. apart to develop the property.

While the original find is the most advanced, many other properties are under development with extensive programmes planned for 1933.

Immediately adjoining the Kenty find on the east the Cyril Knight Prospecting Co. has an option on the Miner Kenty group of claims. Here diamond drilling is in progress. This same company also has a group of claims in the same area in the south part of Raney township, about eight miles west of the Kenty Gold Mines and another group of fifteen claims in the west part of Rollo township six miles northwest of the Kenty Gold Mines.

One of the more important showings in the area developed to date is the Derraugh property, staked early in 1932 on behalf of the private syndicate comprising principally members of the Lake Shore engineering staff. This group of claims has been optioned by the Kirkland Hudson Gold Mines, controlled by Lake Shore interests, and is now under intensive development.

Other interest in the field includes Dyment Mining & Investment Co., Tom Montgomery Syndicate, Halcrow Swayze Mines, McIntyre-Porcupine, Consolidated Smelters, Sylvanite, Newbec, Dome and United States Smelting & Refining, Swayze-Huycke Gold Syndicate.

WORLD SILVER SITUATION NOT RESULT OF PRODUCTION

(Continued from page 15)

ing conditions. There is therefore practically no limit to the number of times silver may be "consumed." From time immemorial the Orient, India and China in particular, has absorbed immense quantities of silver. If the crops are good in India the imports of silver rise, for it is in silver that the surplus savings of India are chiefly invested. China occupies the key position in the silver market, having displaced India in 1928 as the leading consumer. Silver in China serves principally as currency and as a store of value. "Silver by long usage has been China's chief money for wholesale business and fiscal affairs and, as the population and the economic life of the country have grown, a large quantity of money has been required." During the last 22 years, omitting the four war years, the total net imports of silver to the Orient amounted to two thirds of the total world's production.

Follows Commodity Prices

The price of silver is the resultant of these numerous and extremely varied influences. Under the circumstances, it is rather surprising to find how closely the variations in the price of silver curve correspond with the curve of wholesale commodity prices as shown in the following chart. In other words, silver, notwithstanding its many functions, has acted much like other commodities considered as a group, in the matter of price fluctuations. Taking a long view of the market, we may therefore expect the price of silver to vary in a similar manner to the average rise and fall of general commodities.

Of the total world production of silver, nearly 80 per cent comes from North and South America. Mexico has the highest production and is followed by the United States and Canada in the order named.

World Silver Production
(In Millions of fine ounces)

Production:	1932	1931
Mexico	71.7	86.1
United States	23.4	30.8
Canada	18.3	20.4
South America	12.4	17.6
All other countries	34.8	38.9
Total production	160.6	193.8

B. C. Production Leads

The total production of silver in Canada during 1932 from all sources, was 18,333,838 fine oz., valued at $5,818,000. The chief sources are the Cobalt camp in Ontario and the Sullivan Mine in British Columbia.

During the year the first shipment of high-grade silver was made from the newly discovered deposits near Great Bear Lake, N.W.T. to the Trail smelter.

The average price of silver for 1932 was 27.89 cents per ounce, a cent less than the previous year, but on account of the difference in exchange, the Canadian producer received a higher average price than in 1932.

Lowest Price in History

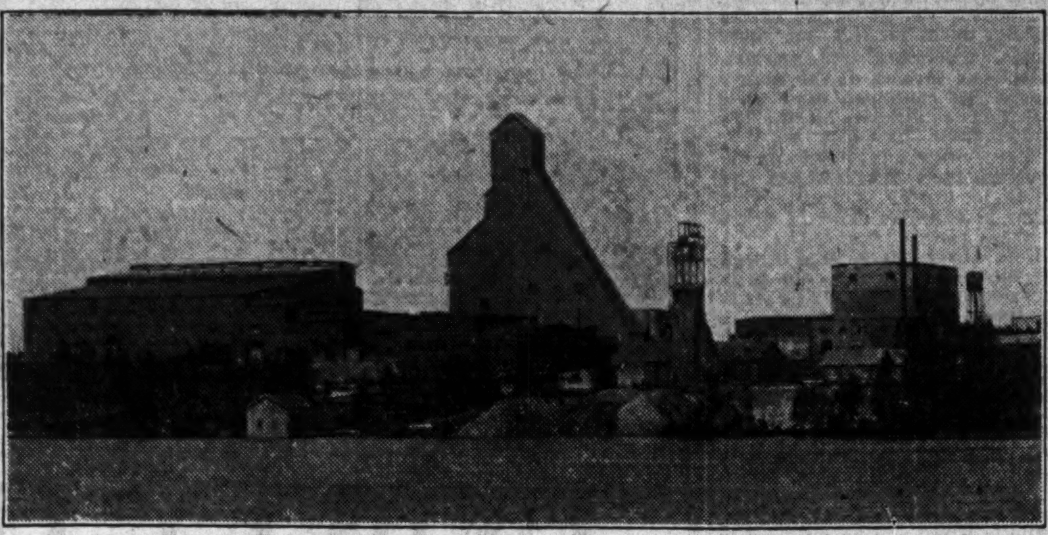
The highest price recorded during the year was 31 cents on February 23. On December 29, the price was 24½ cents, the lowest price ever recorded.

At the close of 1932 Mocatta & Goldsmid, London authorities, conclude a review of conditions in the following words:

"The outlook for the future is particularly obscure at this juncture. The price of silver and other commodities is closely allied to the course of exchanges, which in turn are acutely influenced by the changing international political conditions, of which the question of war debts is the key note. On its own merits there appears to be little to raise the price of silver; stocks are plentiful in all markets, the offtake is extremely small and production, although estimated at about 160 million ounces, compared with about 192 million ounces last year, is still more than can be absorbed. At the same time a solution of the various problems which beset the world at the present time might easily bring about a rise in world prices, including that of silver."

If it should be decided that the majority of our people will be helped in their present financial difficulties by even a modest degree of inflation, the increased use of silver in our currency would seem to be both the easy and logical means of attaining the desired end. Apparently some people think that the United States is moving in that direction and their entry of the market is marked by the recent violent fluctuations in the price of silver after months of steady weakness.

McIntyre's Mill A Product of Modern Engineering



Culminating 20 years of profitable mining history, McIntyre Porcupine Mines, in 1931, constructed what is regarded as the finest surface plant of any gold mine in the world on the opposite side of Pearl Lake from its old mill.

Progress of Mining Threatened by Taxes

By B. F. TOWNSLEY
Mining Editor, The Financial Post

The silver lining to the dark cloud of economic adversity, that has been hovering perilously over basic Canadian industries is, paradoxically, not silver but gold. In the midst of general industrial inactivity Canadian gold mining has forged ahead until production is second in the world only to South Africa. To say that Canadians have become gold-conscious is but a mild way of referring to the fervor that pervades the atmosphere from the Atlantic to the Pacific and from the international boundary to the Arctic circle.

Never before was the search for gold more intense in Canada. Never was capital flowing so freshly into prospecting and never were tangible results so apparent in promising new properties and in the production of the yellow metal.

Coming at a time when international affairs are clouded by the difficulties in the way of the settlement of foreign debts, this flow of gold is Canada's most striking evidence of national solvency.

Eyes Turned Toward Canada's Gold Mines

At a time when the eyes of the world are turned toward gold and Canada's gold mines are thriving as are few enterprises, harried statesmen are prone to look to those industries that enjoy the greatest prosperity to replenish the Government coffers, instead of squarely facing the real situation and readjusting expenditures to fit the circumstances of the hour.

Unfortunately for the gold mining industry warnings fall on deaf ears from those legislators whose opinions are most valued on mining matters and who have been schooled in a practical atmosphere and therefore are conscious of the dire effects that are sure to result from increased taxation.

The cry of the economists is for more gold to alleviate our economic ailments. This cry has even reached the point where serious consideration is being given by some leading powers to the possibility of revalorizing gold and lowering the gold content of the dollar.

Gold Mining Needs Fostering

Gold mining has been painted as a colorful occupation, but it is also more uncertain than laymen realize. When the cry went up for more gold, the mining fraternity answered the challenge so well that there has been a 45 per cent increase in Canada's gold production within the last two years. The hazards attending the search for gold make it imperative that the reward be rich in order to lure and to beckon and, in the end, to compensate miners for inherent disappointments in the industry.

When a strike is made, a mining camp springs at once into being where only bush and muskeg formerly prevailed. These new frontier communities are not formed with the anticipation that the reward will take the form of increased taxation.

Those who do not understand the temperament of mining men may see in increased taxes a source of revenue from a profitable industry, but they fail to see the underlying breach of confidence inherent in increased taxation. Tax increases can only have the inevitable effect of dulling the initiative and incentive so necessary to the finders and makers of gold mines.

Rising Burden of Taxes

That this rising burden of taxes to gold mining is a real menace was further exemplified in the budget brought down in the Federal House on March 21, when the corporation tax was boosted from 11 to 12½ per cent. Its seriousness is better understood when it is realized that these increases introduced together with the 1931 budget schedules have boosted the corporation tax paid by the gold mines 70 per cent. This one form of taxation alone takes 13½ per cent of the net profits.

These corporation taxes, however, are only a start. Then comes the Federal Government tax on non-operating income; the Ontario corporation tax of one per cent introduced in the 1932 budget; the Ontario mining tax; the Ontario corporation tax on plant; and the Ontario corporation tax on earned surplus. On top of this comes the municipal taxes on surface plants and non-operating income. In all, these taxes work out to approximately 30 per cent of the net profits in a typical gold mining operation.

Serious as are these taxes for the gold mining industry, more serious are the psychological effects they have on the temperamental wayfarer we know as the prospector, without whom no mines would exist. Generally speaking, this type of frontiersman is not a student of political science and he interprets increased taxation only as another thrust of the politician's knife to part him from his hard-earned spoils.

Mines Cut Expenses to Hold Communities

In the established base metal mining enterprises throughout Canada we witness a struggle against the lowest prices in history. Here there has been demonstrated what can be done by organizations intent on curtailing expenses to meet income, permitting operations to continue that will keep the community together instead of disbanding to swell unemployment and introduce more acute social problems.

Necessity has made it imperative that these mining enterprises curtail to survive, and they reason that the same results can be obtained by Governments if sound business principles are adopted and vigorously applied.

Down through the ages we have precedent after precedent of what happened to mining operations when greedy monarchs exacted too heavy a toll from mining.

In the twelfth century silver mining was a profitable enterprise in the Pyrenees, but history records that two centuries later it suspended because powerful nobles extorted excessive rents to satisfy their own needs. Later in the fifteenth century the Hungarian mountains hummed with mining, but unsound regulations were invoked, incentive waned and systematic exploration lapsed.

Early Mining Taxed Out of Existence

Joathimstal, famous in recent years for its radium-bearing ore, was at the beginning of the thirteenth century one of the most prosperous mining communities in Europe. History tells of the importance it gained and the wealth it created and how it excited a migration of people to form thriving communities. When the Turks conquered this region in after years the ensuing misrule was fatal to the industry; even the art of mining was lost and skilled workers left the country.

In Cornwall, England, during the fourteenth century, we are told of the arbitrary treatment to which the miners were exposed by the king and his nobles, causing mining to languish, while mining in Germany profited by England's adversity.

The handwriting on the wall, as recorded down through the ages of mining history, shows that mining dwindles where excessive taxation exists.

In the past two years Canada has enjoyed wide publicity for acquiring second place only to South Africa as a gold producer, a position that has attracted foreign capital as has no other Canadian industry. Foreign capital is a wary traveller. If his reception lacks warmth, he may take hasty flight and spread the news of his unwelcomed visit.

Canadian mining owes a large measure of its success to foreign capital. If excessive taxation is invoked the result is inevitable.

With a nation so large as Canada and with mineral resources so evident over vast areas, it more than ever becomes imperative to foster their development in every possible manner. Canada, as a nation, has become wheat conscious and legislatures have had instilled into them that this basic industry must be treated in a sympathetic manner. Mining has now stepped ahead of wheat as a basic industry in Canada, and unless it receives the same sympathetic consideration and freedom from interference there is little incentive to develop this natural heritage.

MINING SPECULATION HAS NECESSARY PLACE IN MINES DEVELOPMENT

(Continued from page 15)

that less money is lost proportionately in mining than in any other business in the world, and larger fortunes are made in mining and in the investment in mining stocks than any other business or investment on earth . . . . Money invested in a good mining stock is safer than in any bank, mortgage, railroad, municipal or government bond."

Factors in Buying Shares

The question the public ask is, "How are we to know a good mining stock?" This is indeed a difficult task to answer concretely, for it may be argued that some of the so called "wildcats" of yesterday became the mines of today. True, but it is a safe venture that the crop of "wildcats" of yesterday exceeds the mines of today and similarly "wildcats" of today are sure to exceed the mines of tomorrow. "How are we to separate the chaff from the wheat?" A few main points worthy of consideration in this connection are enumerated.

1. Is the personnel behind the promotion the type to inspire confidence that the company's affairs will be well conducted? Have they had previous experience in mining, mining finance or service as a mining company director?

2. Does capital outlay go to development? There is much to be said in favor of many mining projects which may be called pure speculations, providing the enterprise be plainly labelled such and the adventurers are given an honest run for their money, which means that all capital outlay should go to development.

3. Are the vendors' shares (i.e., shares received from the company in return for the property) pooled for a reasonable period of time? In other words, is the property being fairly set up against your treasury money to develop it?

4. Are you sure that the statements made by the promoter are true? If not, check them.

5. Is the financial structure of the company sound? i.e., Is the capitalization reasonable? Is the allotment to treasury equitable or have the vendors of the property taken too great a percentage of the stock? After initial development funds have been raised, is there still sufficient unissued stock in the treasury to bring the property to the production or self-sustaining stage?

6. What is the general outlook regarding the metal price over a period of time?

7. Is the development of the property in safe experienced technical hands?

8. Is the property favorably located with respect to (a) geology; (b) other producing mines; (c) transportation; (d) power; (e) labor; (f) concentrators or smelters in the case of the base metals, copper lead and zinc; (g) climatic conditions; (h) government and administration?

9. What is the past history of the property or camp in which the property is situated? What has the past production been and what is the future outlook?

10. Is a mill being rushed to completion before the mine is developed to support or justify it? Has the price of the stock soared to the point where our more sane speculators and investors can read plainly, "This Way Out."

11. Is the ore amenable to successful metallurgical treatment for the recovery of the values?

12. Is there a reasonable chance for ore beyond the known ore exposures?

Get Authentic Information

If the investor or speculator in mining issues will but take the trouble to inquire from authentic sources the answers to the preceding queries before investing or speculating in a given stock, he will at least eliminate a number of "bad stocks," which is another way of arriving at the answer to the question "What are the gold mining stocks?"

John D. Galloway, provincial mineralogist of British Columbia, in a paper presented before the annual meeting of the Canadian Institute of Mining and Metallurgy, entitled, "Mining Investments by the Public," covered very fully the relation of the broker to the mining industry, as follows:

"In considering speculation and mining shares we now logically come to the relation of the broker to the industry.

"A broker is one who negotiates sales or contracts as an agent or buys and sells on commission. There are brokers in practically all businesses and the mining industry is no exception; the mining broker therefore buys and sells shares in mining companies for a commission. The right kind of a broker is very useful in any business and in mining he may well be a useful asset to the industry.

"We have in British Columbia, and also throughout our Eastern Canadian mining centres, many brokers and brokerage firms handling mining securities. Until recently comparatively few of these specialized only in mining business, but, as a rule, they deal in stocks, bonds and securities of all kinds. Modern finance has evolved a comprehensive and efficient system of stock market exchanges whereby the public may buy and sell securities of all kinds, including bonds and shares of mining companies. It is in the buying and selling of these shares, and also shares that are not listed on stock exchanges, that the broker is employed.

Different Types of Brokers

"It is somewhat difficult to define in words the varying types of brokers engaged in selling mining stocks to the public. But the following arbitrary divisions may be employed:

1. Stock and bond houses which deal in securities of all kinds, including mining shares.

2. Mining brokerage firms which deal mainly in mining stocks.

3. Brokers whose main object is to sell the stock issued in one company.

"The large stock and bond houses with established reputations do not as a rule feature mining stocks; they accommodate clients who want mining shares but in many instances they rather discourage the purchase of them. Very occasionally they do advise the purchase of certain stocks, but the instances I am aware of do not show any great ability to pick sound stocks."

"My second kind of broker, namely those who specialize mainly in mining stocks, should be useful to the industry. By carefully studying the available stocks, with the aid of trained men, and eliminating the doubtful ones, they should be able to assist the public in picking the best ones.

"The third class, while styled brokers, are really promoters. It is in this class that most of the undesirable types are to be found.

"Occasionally a first-class reputable brokerage firm will under-write a stock issue of a certain mining company. By this method of financing the broker agrees to purchase a block of stock at a certain price and retail that stock to the public at an agreed price, the difference being the gross profit of the broker. A reputable brokerage firm always carefully investigates the financial, mining and other aspects of any such mining company before contracting to underwrite the stock. Having made the contract the broker becomes a promoter and endeavors in every possible way to induce the public to buy this stock issue. The broker makes a much larger profit from this underwriting or promotion sale of stock than in ordinarily selling standard listed stocks in which there is a definite fixed rate of commission.

"Many brokerage firms—so called—are started for the sole purposes of selling certain stocks which have been underwritten. As the public is in the habit of taking 'tips' from a broker's office, any such firm as this nearly always pretends to carry on a general brokerage business, but under cover of this disguise, the real purpose is to sell the particular stock or stocks which have been underwritten and from which a large profit is available.

"In connection with the business the firm will sometimes put out a weekly or monthly news sheet, which may be called an 'Investment Guide' or similar name. This news sheet will give advice about various mining stocks and possibly others, but it always contains a vigorous write-up of the particular stock that it is designed to sell.

"While in certain instances a stock sold in this way may have some merit and the brokerage firm may be thoroughly reliable, the advice given by the broker regarding this particular stock should be absolutely ignored. The advice is necessarily prejudiced and the information regarding the particular company and its mining property should be checked from other authentic sources.

"Particularly is it important to see how much of the money from the sale of stock is to be made available for development of the mineral property. In some instances at least, most of the proceeds go to promoters and brokers.

"In all matters of this kind the reputable broker is well qualified to advise the public. Established brokerage houses with reputations have men well trained in finance, company organization and all matters pertaining to the business organization of companies. As a rule however, the broker is not so well versed on the technical aspects of mining. Mining is particularly a business which lends itself to rumor, gossip and tips. The result is that brokers with the best intentions pass on to their clients much misinformation regarding mining stocks.

Brokers Employing Engineers

"In rare instances a reliable brokerage firm with a large clientele and a reputation of value, engages a competent mining engineer to advise regarding meritorious mining stocks. Such a firm having expert advice about the mineral property and expert knowledge of company business, is a decided asset to the mining industry.

"The menace from the house to house pedlar of so-called mining stocks is happily being taken in hand by the Attorney-General's Department. It is, however, deemed advisable to warn the small saver against 'get rich quick' methods and the underhand dealings of men who go about the country exchanging or selling bad stocks of all kinds, including mining stocks, for good securities. Most generally the money goes and there is no return. Refuse to be rushed into buying a mining stock; think it over; seek the answers to the queries outlined above from authoritative sources, and then if you have the means, the red blood and the faith which after all constitutes the foundation necessary for the progress of one of the country's most important basic industries, step in and participate in a Canadian birthright—our national resources and their development.

"In conclusion it seems imperative in order to keep the mineral industry on an even keel, that speculation in mining issues be well directed, and to this end those interested in the industry and its close relationship to national progress, should make an effort to establish a campaign of education with a view of obtaining as large a percentage of the dividends from Canadian mines for Canadians as possible, and also with a view to preventing Canadians from 'holding the bag,' when the stock manipulator arrives from the United States, and our mining issues take an upward swing far beyond their intrinsic and prospective worth."

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KIRKLAND LAKE GOLD

Deep Development Programme Offers Interesting Possibilities

Kirkland Lake Gold Mining Co. was incorporated in 1915 by interests associated with the Beaver Silver Mines at Cobalt, Ont. In 1926 Dr. J. B. Tyrrell took charge of the property and has since waged an extensive development programme at depth to prove up the massive ore shoots that have characterized the central section of the camp. Operations have been carried to a depth of 5,443 ft., and are the deepest gold mining operations in Canada.

About three years ago development work at around a depth of 4,000 ft. encountered increasing quantities of porphyry with which the large ore bodies in the central section of the camp had been associated. Here a higher grade of ore was encountered and subsequent work has been to develop and take production from the ore encountered as the programme was extended. While high grade ore shoots have been encountered at depth and geological conditions continue favorable, development to date has not encountered the massive lenses of ore that have characterized the more central section of the camp. Below the 4,900 ft. level development work in 1932 first encountered massive porphyry and some of the best ore yet found. This deep development programme is conducted through a main three-compartment vertical shaft to the 2,475 ft. horizon and from this depth to the 4,900 ft. level by a four-compartment winze. In 1932 a second winze was sunk, from 4,900 ft. level to the 5,400 ft. horizon.

Approximately $2,000,000 worth of ore was extracted from the syenite above the 3,000 ft. level and relatively little work has been done between the 1,000 and the 2,000 ft. levels.

The following tabulation gives production since inception of operations and costs:

Production Years Ended Dec. 31

Year	Tons Milled	Production	Recov. per ton
1919	11,324	$56,263	$4.97
1920	40,812	286,901	7.03
1921	43,966	242,417	5.51
1922	37,489	224,396	5.99
1923	45,449	223,102	4.90
1924	8,091	46,513	5.75
1925	nil		
1926	10,829	126,999	11.75
1927	52,648	473,673	9.00
1928	57,883	414,596	7.16
1929	53,595	352,789	5.58
1930	52,106	533,851	10.24
1931	52,628	586,251	11.14
1932	56,492	524,330	9.30
		$4,102,081	

Production Costs Per Ton

	1932 $	1931 $	1930 $
Devel., explor., mng., mill., taxes & mktg.	7.49	7.30	8.50
Administration	.37	.37	.33
Operating costs	7.86	7.67	8.83
Depreciation	.46	.46	....
Total costs per ton	8.32	8.13	8.83

In order to protect the southerly extension of the main vein at depth the company purchased control of the Grozelle Kirkland Gold Mines early in 1932 at a cost of approximately $175,000 and has an agreement to develop this property at depth receiving in payment thereof treasury shares.

Late in 1932 the company acquired an option on controlling interest in the Kenty Gold Mines which is showing such promise in the new Swayze area. In addition, the company owns 35 per cent interest in the Ursa Major Mines, prospecting in the Great Bear Lake area. It also owns controlling interest in the Kirkland Basin Gold Mines, formed in 1931 to consolidate several claims adjoining the producing section at Kirkland Lake on which tailings from various operations have been deposited.

The outlook for Kirkland Lake Gold Mines has been fortified by the development at the Kenty Gold Mines. Simultaneously development work continues at Kirkland Lake toward finding larger and more profitable ore bodies as deep development is waged.

The company's financial position is adequate for the programme planned. The purchase of the Grozelle control and interest in the Kenty Gold Mines is reflected in current assets which on December 31, 1932, were $327,428 with current liabilities of $29,147.

Common Shares—Par, $1. Issued, $5,239,123.

Price Range:	High	Low	Mar. 24
1933	.52	.30	.34
1932	.55	.19	...

Earned: 1932, $0.026; 1931, $0.039; 1930, $0.001.

Listed: Standard Stock & Mining Exchange, Toronto; Montreal Curb (unlisted section).

GREAT BEAR LAKE OFFERS BIG FIELD FOR PROSEPCTING

(Continued from page 15)

the water and rail route to the company's radium refinery at Port Hope, Ont., where the ore is in process. An initial shipment of about ten tons of high grade silver ore yielding 3,623 oz. per ton silver was shipped by Eldorado to the Trail smelter in the fall of 1932.

Adjacent to the Eldorado operations at Cameron Bay there is an established mining community with airplane base, post-office and supply depot, as well as the Government radio station, which maintains contact with the outside world.

Other early exploration companies in the area included Northern Aerial Minerals Exploration, Consolidated Mining & Smelting Co., Ventures Ltd., all of which have undertaken preliminary exploration work.

The Geological Survey of Canada for the past two years has maintained a party in the field headed by Dr. D. F. Kidd, geologist, to report on development. Dr. Kidd reported on the economic significance of the discovery as follows:

The Eldorado property at LaBine point, the original find, remains today the centre of interest with efforts directed mainly to the production of radium and high grade silver ore. At the Contact lake deposit where pitchblende and silver occur, a few tons of pitchblende and silver ore have been mined from the surface and shipped out.

Rich Silver Ore Found

Specimens and assays of ore from the Eldorado and Bonanza claims and those of the Consolidated Mining & Smelting Co., at LaBine point, from Contact lake and from Camsell river, amply demonstrate that very rich silver mineralization has been found at a number of places. As is natural to expect of such high grade material, the distribution is not regular. The shear and shatter zones in which the silver occurs are in many instances of considerable length and in some cases of rather large size. This does not mean, however, that plentiful silver is everywhere present in them. Only much stripping of zones and systematic sampling will give a clear picture of where the rich spots of silver are sufficiently close to constitute ore bodies.

The discovery in the 1932 season of rich silver mineralization at Camsell river 40 miles south from the original find has given an impetus to prospecting in outlying areas. While the find has not so far been found to be large it has shown that silver may be found at some distance from Echo Bay.

The gold occurrences seen while not individually large, show that the metal occurs in the area and if at any place more suitable conditions for deposition were present, gold may perhaps be found there in greater concentration.

Discoveries Not Large

It may be of significance that many of the discoveries made this season were not large or could only be found after careful search. Prospecting apparently should be easy because of the large percentage of bed-rock exposed. It might be argued that few large occurrences could have been overlooked when so many unobtrusive finds have been turned up. This may be true but on the other hand, small deposits are frequently more easily found than larger ones and this condition may hold true in the Great Bear Lake region.

The area has been regarded by some as of little present importance on account of its remote geographical position and on the other hand there are those who would have you believe there is no transportation problem at all. At the present time all heavy transport is in summer by boat. The rates quoted this year on small shipments were sixteen cents a pound each way between the east side of Great Bear lake and the railhead at Waterways. Much lower rates have been talked of and freight has probably been accepted at lower rates on larger contracts. The tonnage moved is increasing and the facilities of the freighting companies are adequate for present needs.

Economic Factors in Radium

The value of the radium ore mined at Great Bear lake has been quite widely computed using as a basis the nominal price of $50,000 a gram for gram lots and $70,000 a gram for smaller amounts. This may have given an erroneous idea of the worth of the deposits.

Radium Belge, a subsidiary of Miniere du Haut Katanga, controls the world market for radium. When their mine at Kasolo in the Belgian Congo, commenced production in 1922 the very high grade of the ore forced most competitors out of business. In both 1929 and 1930 they furnished 94 per cent of the world production.

The costs of production of Belgian radium are not known. The grade of Great Bear lake ore so far as can be found out, is considerably higher than that of the Congo.

The market for radium is difficult to evaluate. Recent sales at the present price are likely small but the potential market at a lower price is unknown and may be large.

CANADIAN MINING INSTITUTE AND INDUSTRY SYNONYMOUS

(Continued from page 15)

century an impressive solidarity in mining men's organization in Canada, which has meant much to the progress of mining men, technically, financially, legally and in prestige.

The scope and importance of the organization at various stages of its career has been marked by several changes in name. The Federated Canadian Mining Institute, formed in 1896 by the amalgamation of Quebec and Ontario groups, changed in 1898 to the Canadian Mining Institute. When the Mining Society of Nova Scotia entered in July, 1918, the name was changed to the present one of "The Canadian Institute of Mining and Metallurgy."

The principal functions of the Institute are to advance the arts and sciences connected with the economic production of useful minerals and metals. It aims as well to promote solidarity of all who profess an interest in the mining and metallurgical industry. It has done yeoman work in developing ideals of public service and in advancing the welfare of its members by promoting acquaintance and goodwill.

The Institute holds general and local meetings periodically throughout the Dominion and publishes a monthly magazine known as the Canadian Mining and Metallurgical Bulletin. It has a large library, made up of pamphlets and files of technical periodicals, and transactions with sister instiutions. Its head office is on the 9th floor of the Drummond Building, in Montreal.

Directed by Council of Forty

The Institute is directed by a council of 40, consisting of the president, three past-presidents, six vice-presidents, 30 councillors and a secretary-treasurer. This list would make a Who's Who of mining men of Canada and would be found by the curious to represent every worth-while phase in the growing importance of Canadian mining. Territorially the officers are well divided. There are 18 branches to cover the nine provinces. The Institute began with only 63 members, but now there are close on to 2,000 members on the roll. No member is admitted until he is 27 years of age at least and has been for at least five years in responsible positions with regard to practical mining and metallurgical work, or has such other scientific attainments or technical knowledge as would otherwise make him eligible. Associates are admitted after three years of practical experience if otherwise eligible and acceptable and there is a class for students over 18 who intend to adopt the profession. There are corporation members and corresponding members and honorary members of high technical or scientific attainment. Honorary members include the Minister of Mines and the Deputy Minister of Mines of the Dominion and of each province along with some of their most highly placed officials. Technical officers of the Geological Survey Branch may be elected ex-officio members. There are also affiliated societies connected with Canadian universities and mining schools.

Patrons Include Prominent Persons

The Institute co-operates with donors of medals and prizes for various accomplishments in mining and metallurgy. There are various prizes for best papers on economic or applied geology or any mining subject, as well as other prizes to undergraduate affiliated student members of the Institute.

Annual banquets and dinners of the Institute have been marked by the presence of the most distinguished Canadians. The Governor-General has been present on several occasions and the principal speakers at the coming banquet on April 6 will include Premier Bennett, Dr. Sydney W. Smith, president of the Institution of Mining and Metallurgy, London, England, which has sent an official representative for the first time to Canada, Hon. W. A. Gordon, Minister of Mines for Canada; Hon. Charles McCrea, K.C., Minister of Mines, Ontario; Robert C. Stanley, president of International Nickel Co. of Canada, one of the world's most famous mines. The chairman will be president of the Institute, Dr. John A. Allen. Every development during the year in Canadian mining will be discussed, including silver and radium mines at Great Bear Lake, investigations in Northern Ontario lignite, the preparations for the Imperial Economic Conference, geological features of new areas which came greatly into prominence during the year, outstanding studies made of geology in such mines as Hollinger and various improvements in practice and methods.

For the first time the Institute will have an industrial minerals section in session on the morning of April 6, with papers by A. T. Coleman, S. T. Hallford, Oliver Bowles, and H. H. Hughes.

Altogether some 40 papers will be delivered by prominent specialists and be discussed by others.

ECONOMIC FACTORS SUBJECT OF STUDY TO GOLD INVESTORS

(Continued from page 15)

exchange compensation paid by the Canadian Government to the gold producers averaged 12.2 per cent.

Whatever the ultimate outcome of the present financial and political confusion, the weight of opinion is showing that gold will come out of the crucible as valuable if not more valuable than before and that investors in this class of security have little reason to become panic-stricken by reason of the recent statement credited to Sir Josiah Stamp that the gold standard is doomed.

Economists are at great variance as to the probable future rate of exchange, some contending that currency and trade policies of the new Democratic administration in the United States will tend to narrow the spread in exchange and thus partially remove an effective trade barrier. It is also known that the new administration is pledged to lower the tariff and reciprocity negotiations may arise as Prime Minister Bennett has stated his willingness to bargain in order to stimulate a freer flow of trade between the two countries.

Revaluing Gold

One may maintain that the United States is on the gold standard at what Winston Churchill terms "the risk of terminological inexactitude." All the great powers, with the exception of France, are practically off the gold standard. So long, however, as gold remains a precious asset desired by each, the need of gold production seems assured. It still remains the one certain medium for settling balances between nations.

Some economists, including our own Dr. Stephen Leacock of McGill University, have proposed inflation and urge international agreement to reduce the gold content of the dollar from the present 23 grains to 17 grains, which would have the effect of increasing the value of gold about 35 per cent. Certain economists in the United States share the same opinion, and it is known that advisers to the new Democratic administration have lent receptive ears to the proposal of inflation. Huge additions to existing currencies have been made but it is denied that this is more than a temporary inflation.

Significant Indications

The United States treasury department is by patriotic coercion and under threat to hoarders fast replenishing the national coffers by withdrawing gold from circulation. Some say that is a preliminary to inflation. Without delving into the respective merits of the arguments of proponents and opponents of inflation, it is self-evident that if inflation comes and with it a revaluation of gold, temporarily, at least, will come increased profits and one of the greatest booms to gold mining that the world has known. Without such a revaluation the effect of inflation would be adverse to gold mining.

It is only necessary to look back at the stimulus given to gold production through adverse exchange. If gold at $26 per ounce, or about 25 per cent premium on Canadian funds, can boost profits 60 per cent, gold at $31 an ounce, or an advance of 50 per cent over the current $20.67 price, would boost earnings of gold mines approximately 100 per cent.

BASE METAL MINES WELL INTRENCHED TO MEET FUTURE

(Continued from page 15)

decades, in the development of alloy products. The strides that have been made toward the introduction of alloys in recent years suggest that the age of iron is giving way to a new age of alloys.

Man and his machines of iron to serve him have rapidly advanced as experiments and experience have brought machines nearer perfection. Now attention is being turned to longer life. Articles that are subject to rust and corrosion are being rebuilt in alloys that resist the elements. Lighter weight and higher tensile strength and general service ability are demanded. This, too, calls for alloys. It will thus be seen that while in the past man was content with a machine that would work, he now demands of this machine greater life and usefulness.

This trend of affairs has an important bearing on the consumption of base metals as is evidenced by the increased diversification in the use of nickel. Certain nickel-iron alloys are enjoying unprecedented popularity despite the dull tone to the iron industry in general.

Canada's Base Metals

In Canada there are large resources of base metals produced by mining enterprises that have demonstrated their ability through efficiency and low cost operations to compete with the world, notwithstanding the lowest prices for base metals in history. That these leading base metal mining enterprises should continue to operate when similar operations of world prominence have been forced to close down, is in itself a tribute to their efficiency and management. Almost without exception the past three years of economic adversity have prompted higher efficiency, and reduced production costs that fortify these leading Canadian producers against low prices and curtailed demand. What they have been able to accomplish during a period of adversity is an indication of what may be expected once general conditions improve and higher prices prevail.

It is true that many small base metal mining operations have been forced to suspend operation, but for the most part these may be considered as mushroom companies to take advantage of boom prices for base metals and their only hope of survival was found under abnormal conditions. Base metal mining has more than ever evolved into large scale operations that make for low costs. Huge ore reserves are the first requisite of large scale operations and in Canada there are many notable examples.

Frood Ore Reserves

The Frood mine in the Sudbury nickel-copper area measures its ore reserves in the hundreds of millions of tons. Not only is it the greatest known nickel deposit in the world, but the associated copper, particularly at depth, makes it a leading copper property while the platinum metals found in the ore are regarded as one of the world's leading sources of supply. Indeed, this deposit is recognized as one of the richest and most valuable ore bodies known in the world.

Canada's production of over 90 per cent of the world's nickel is divided between two companies, one large the other small, one The International Nickel Co. of Canada, the other Falconbridge Nickel Co. International Nickel this year celebrates a half century of progress. In the past fifty years it has built up an organization that ranks as one of the leading mining and metallurgical enterprises of the world.

Falconbridge Nickel Co., a relatively small but an efficient enterprise, came into production near the end of the late boom period for base metals. While it is not fortified with the rich ore reserves of its strongly entrenched competitor it has made a creditable showing from initial operations.

Canada's independence as a copper producer among the nations of the world was substantially strengthened when facilities were provided late in 1930 for the electrolytic refining of copper previously exported to the United States for refining.

Markets Needed for Copper

The fortuitous position that Canada's copper industry enjoys through control of operations from mining to refined metal was well exemplified when the United States erected a tariff barrier of four cents per pound last June. This necessitated new markets being sought and since that time Great Britain has been the principal consumer for the Canadian production, curtailed as it is. Canada with its copper refining facilities close to 200,000 tons annually would alone be able to supply the normal copper requirements of Great Britain. Other Empire copper producers, however, are also seeking an outlet for their products in Great Britain, which makes it imperative that Canadian producers cultivate other markets.

The world copper industry is in a chaotic condition with demand curtailed and lowest prices in history. This condition is reflecting the fallacy of attempting to artificially control copper prices at high levels, which had the inevitable effect of introducing new production without adequate markets.

The copper stocks accumulated during the period of high prices, which ended in 1930, are now in the process of liquidation. Coincident with this liquidation is a slack demand, with the result that the current production, restricted as it is, makes the process of recovery slow.

Low Cost Operations

Canada's leading copper producers, Noranda Mines, International Nickel, Hudson Bay Mining & Smelting, Britannia and Granby, are all operating. In the case of the first three, associated metals recovered help place these producers in the ranks of the lowest cost operations in the world.

How important a one cent per pound advance in copper prices would be is exemplified in the case of Noranda where on the basis of current production each one cent per pound advance in copper means approximately 28 cents per share increase in earnings.

At International Nickel, while the production is largely governed by the sale and consequently the production of nickel, the copper enrichment of the ore at depth permits of extraction from these horizons when copper prices dictate such a policy.

At Flin Flon operations of the Hudson Bay Mining & Smelting Co., copper is the primary metal sought, but here again zinc and the precious metals recovered have permitted this most northerly metallurgical operation in the British Empire to continue production at a profit.

On the Pacific Coast Britannia and Granby, the two leading producers, are not in so fortunate a position with respect to precious metals to sweeten their ore, but here, again, increased efficiency has enabled operations to continue, with the blister copper and concentrates produced either being exported to the United States or shipped to Ontario for refining.

Outlook Clarifying

Dark as the world situation respecting copper is at the present time, it is slowly improving. New low cost producers are coming into production in Rhodesia that will have a stabilizing effect on the industry and prevent unwarranted production being introduced from high cost operations in the future and thus there is present an outlook for steadier copper prices, if not the high price levels reached during the last boom.

The wave of demand for alloys is reflected in the new and diversified uses for copper alloys. Copper water pipes are now making a bid for supremacy in a field formerly monopolized by iron. Copper has had its set-backs due to the inroads made by other metals, such as aluminum in electrical transmission lines, formerly dominated by copper. In copper, as in other metals, markets are won and lost as progress dictates preferences.

Canada's dominant position as a lead and zinc producer can be principally accredited to the Sullivan Mine in British Columbia, owned by the Consolidated Mining & Smelting Co. It is one of the leading world sources for these metals, accounting for approximately one seventh of the world's supply. Its continued large scale operations confirm its being a low cost producer. The fact that it is able to continue profitable operation with the lowest lead and zinc prices in history indicates what might be expected once the prices of these metals improve.

Here again has a huge deposit equipped with big production facilities demonstrated its resistance to low metal prices that have snuffed out small scale operations.

After three years of economic adversity and curtailed demand for base metals accompanied by the lowest prices in history, leading producers in Canada continue to operate. For the investor this is significant for if general conditions are to improve in future years it means greater industrial activity, which will be reflected in an increased demand for base metals. The Canadian producers, which have demonstrated their capacity for meeting adverse times, are well equipped for sharing in more prosperous times.

GOLD STANDARD RULES SUPREME AS MONEY BASIS

(Continued from page 15)

within the boundaries of the Empire and its Dominions. This comprises the English-speaking peoples of the world with the exception of the United States. If the outcome of the new negotiations is to be successful it must provide for the participation of the United States in this contract in order to bring about a coalition of all the English-speaking peoples of the world.

Such a combination covering almost every climate, every raw material, and every known means of transport and communication and bringing together as it would an unparalleled concentration of wealth and personnel must represent the dominating factor of the whole world and through its instrumentality all other foreign countries, whose means and living standards are at all comparable, soon would be linked to this central power. By such means world control for the good of the world, for the establishment of peace and prosperity would be not only feasible but almost inevitable. At the moment these things may appear too chimerical and too revolutionary even to be thought of let alone hoped for, but in the past few weeks the world has seen changes and happenings that were inconceivable three months ago.

Leaders Have Power

The leaders of the nations, particularly the English-speaking peoples, have the power and the means at hand to bring about this condition of things and should be the objective of the world conference. It is in this direction the present drift is tending.

No one can see what the ramifications of a settlement on the lines above sketched may be in the United States. The whole status of banking, interest rates, taxation, tariffs and international relationship is slated for revolutionary amendment and it is not too much to predict that reconciliation of many frictional issues will come up for adjustment. In embryonic form some of the changes will take vague shape and while the process of perfecting the details may be a lengthy one it will not be long before the fundamental character of the alterations will become apparent.

HOWEY GOLD MINES

LIMITED

(NO PERSONAL LIABILITY)

Capitalization

$5,000,000 Shares $1.00 par value

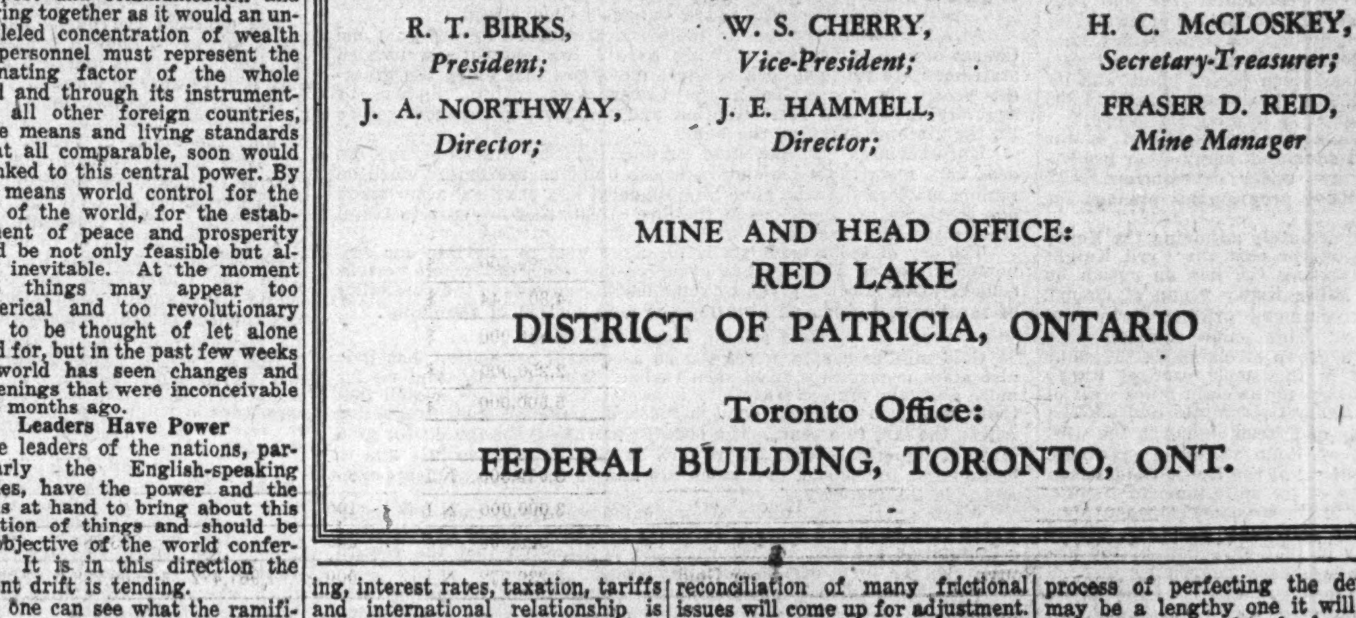
Officers and Directors

R. T. BIRKS, *President;* W. S. CHERRY, *Vice-President;* H. C. McCLOSKEY, *Secretary-Treasurer;*

J. A. NORTHWAY, *Director;* J. E. HAMMELL, *Director;* FRASER D. REID, *Mine Manager*

MINE AND HEAD OFFICE:
RED LAKE
DISTRICT OF PATRICIA, ONTARIO

Toronto Office:
FEDERAL BUILDING, TORONTO, ONT.



McIntyre Porcupine Mines
Limited

(No Personal Liability)

Incorporated under the laws of the Province of Ontario

CAPITAL STOCK

Authorized: 800,000 shares, par value $5.00 .... $4,000,000
Issued: 798,000 shares, par value $5.00 .... $3,990,000

DIRECTORS AND OFFICERS

J. P. BICKELL, *President*, TORONTO, ONT.
D. H. McDOUGALL, *Director*, STELLARTON, N.S.
W. J. SHEPPARD, *Vice-President*, WAUBAUSHENE, ONT.
STRACHAN JOHNSTON, *Director*, TORONTO, ONT.
J. B. TUDHOPE, *Director*, ORILLIA, ONT.
E. D. FOX, *Secretary*
BALMER NEILLY, *Treasurer*

Transfer Agents
The Toronto General Trusts Corporation—Toronto
The Equitable Trust Company of New York

Registrars
The Trusts and Guarantee Company Ltd.—Toronto
The Chase National Bank—New York

Auditors
GUNN, ROBERTS & COMPANY, *Chartered Accountants*, TORONTO

General Manager
R. J. ENNIS
SCHUMACHER, ONT.

PRODUCTION SINCE THE COMMENCEMENT OF OPERATIONS IN 1912

Date	Period	Tons Milled	Value per ton	Gross Value	Recovery per ton	Total Value
1912	12 months	14,500	$ 7.00	$ 101,555.16	$ 5.25	$ 76,166.38
1913	12 months	31,979	7.85	251,314.45	7.06	225,752.25
Jan. 1, 1914 to Mar. 31, 1915	15 months	85,654	8.87	760,232.16	8.39	718,331.71
Apr. 1, 1915 to Mar. 31, 1916	12 months	105,758	7.71	815,345.49	7.38	779,990.94
Apr. 1, 1916 to June 30, 1917	15 months	195,307	10.00	1,954,793.28	9.55	1,864,914.28
July 1, 1917 to June 30, 1918	12 months	178,327	10.05	1,793,197.55	9.61	1,714,258.00
July 1, 1918 to June 30, 1919	12 months	179,874	9.78	1,759,627.40	9.29	1,671,646.03
July 1, 1919 to June 30, 1920	12 months	188,835	11.52	2,175,891.31	11.02	2,080,178.44
July 1, 1920 to June 30, 1921	12 months	171,916	11.67	2,005,672.00	11.08	1,904,326.36
July 1, 1921 to June 30, 1922	12 months	193,971	10.69	2,074,088.40	9.99	1,937,105.07
July 1, 1922 to June 30, 1923	12 months	240,615	9.96	2,397,303.00	9.35	2,249,741.63
July 1, 1923 to June 30, 1924	12 months	360,140	9.69	3,488,863.00	9.14	3,291,178.22
July 1, 1924 to June 30, 1925	12 months	400,259	9.43	3,774,068.00	8.86	3,546,637.52
July 1, 1925 to June 30, 1926	12 months	460,909	8.72	4,020,326.00	8.25	3,804,774.90
July 1, 1926 to Mar. 31, 1927	9 months	385,409	8.08	3,113,500.07	7.67	2,957,060.97
Apr. 1, 1927 to Mar. 31, 1928	12 months	520,460	8.09	4,207,553.00	7.66	3,987,634.94
Apr. 1, 1928 to Mar. 31, 1929	12 months	538,165	8.24	4,433,378.00	7.83	4,212,624.82
Apr. 1, 1929 to Mar. 31, 1930	12 months	550,496	8.46	4,657,188.00	8.05	4,433,626.45
Apr. 1, 1930 to Mar. 31, 1931	12 months	558,115	8.84	4,934,122.00	8.30	4,633,140.73
Apr. 1, 1931 to Mar. 31, 1932	12 months	655,030	8.00	5,239,822.90	7.63	4,997,461.80
		6,015,718	8.95	53,957,841.17	8.49	51,066,551.44

EXECUTIVE OFFICES
15 KING STREET WEST — TORONTO

LOCATION OF MINES, PLANT AND HEAD OFFICE
SCHUMACHER, ONTARIO

A Composite Picture of Canada's Leading Mining Enterprises

MINE	Location	Product	Prod. Started	Cap. Issued	Par	Tons Daily	Production $ 1930	Production $ 1931	Production $ 1932	Recovery Per Ton $ 1930	Recovery Per Ton $ 1931	Recovery Per Ton $ 1932	Cost Per Ton $ 1930	Cost Per Ton $ 1931	Cost Per Ton $ 1932	Net Profit Per Share $ 1930	Net Profit Per Share $ 1931	Net Profit Per Share $ 1932	Dividends Started	Dividends Rate	Disbursements 1930	Disbursements 1931	Disbursements 1932	Working Capital	Remarks
British Columbia:																									
Britannia M. & S. Co.	Britannia Beach	Copper	1905	....	....	6,000	....	....	....	....	....	....	....	$6.17	$5.91	....	....	....	....		....		....	....	Howe Sound, sub.
Bralorne	Bridge River	Gold	1932	$1,000,000	N.P.V.	125	....	....	453,931	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Cariboo Gold	Cariboo	Gold	1933	999,000	$1	50	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	*	Started Jan., 1933
Con. Smelters	Trail	Lead-Zinc	1907	651,907	$25	6,000	15,670,946	21,613,750	*	....	....	....	....	....	....	$4.43	D	D	1906	$....	$12.50	$2.50+	....	*	Last fig. 1931
Granby	Anyox	Copper	1912	450,000	$100	3,500	6,980,952	3,429,620	*	....	....	....	....	....	....	3.28	0.62	D	1903	Nil	5.25	1.50	....	*	Last fig. 1931
Pioneer	Bridge River	Gold	1929	1,751,750	$1	300	162,281	350,000	673,211	$10.46	$13.07	$18.28	....	....	14.31	.004	.032	.12	1931	0.24	....	.03	.12	23,141	Yr. ends Mar. 31
Premier	Portland Canal	Gold	1919	5,000,000	$1	400	2,396,946	1,648,350	1,781,672	7.77	6.80	8.06	6.43	5.57	5.67	.001	.021	.021	1921	.12	.21	.12	.12	1,886,942	....
Reno	Nelson	Gold	1929	1,816,306	$1	200	163,000	210,570	....	16.78	16.88	....	....	....	14.03	....	....	.013	....	....	....	....	....	101,353	Yr. ends Apr. 30
Manitoba:																									
Central Manitoba	Wadhope	Gold	1928	4,586,372	$1	150	421,276	408,903	455,299	7.88	7.44	9.88	....	8.26	9.65	D	D	D	....	....	....	....	....	138,238	Yr. ends Apr. 30
Hudson Bay M. & S.	Flin Flon	Cu.-Zinc	1930	2,500,000 $5,000,000	N.P.V. Deb.	4,300	766,483	5,612,105	*	....	....	....	....	....	....	....	D	...	....	....	....	....	....	1,346,985	Last fig. 1931
Island Lake	Island Lake	Gold	1933	3,386,361	N.P.V.	50	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	406	To start in July
San Antonio	Rice Lake	Gold	1932	2,225,000	$1	150	....	....	286,442	....	....	10.08	....	....	*	....	....	*	....	....	....	....	....	*	Started in May
Ontario:																									
Ashley	Matachewan	Gold	1932	3,000,000	$1	115	....	....	61,290	....	....	9.00	....	....	*	....	....	*	....	....	....	....	....	*	Started in Aug.
Barry-Hollinger	Boston Creek	Gold	1925	2,384,675	$1	100	217,835	224,633	160,697	6.87	7.02	4.59	7.47	7.31	5.63	D	D	D	....	....	....	....	....	5,030	Refinancing
Buffalo Ankerite	Porcupine	Gold	1932	497,440	$1	200	878	....	219,482	....	....	3.95	....	....	*	....	....	*	....	....	....	....	....	*	Resumed April
Central Patricia	Patricia	Gold	1933	912,000	$1	65	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	*	To start in July
Coniaurum	Porcupine	Gold	1928	2,697,447	N.P.V.	400	738,941	751,352	861,031	5.99	6.02	5.95	6.50	6.40	*	D	....	*	1932	.03 int.	....	....	.03	*	....
Dome	Porcupine	Gold	1910	953,334	N.P.V.	1,500	774,943	3,512,066	4,040,318	5.89	6.43	7.55	....	5.10	*	0.09	1.04	*	1915	1.00‡	1.00	1.00	1.30	*	....
Falconbridge	Sudbury	Nickel	1930	3,199,555	N.P.V.	450	....	....	2,990,541	....	....	....	....	....	....	D	D	.24	1933	.10 int.	....	....	....	1,799,227	Div. start. Jan.
Hayden	Porcupine	Gold	1932	1,500,000	$1	50	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	*	Tuning up
Hollinger	Porcupine	Gold	1910	4,920,000	$5	4,800	10,260,950	10,097,975	10,356,846	6.31	6.15	5.90	4.27	4.53	*	.81	.71	.81	1912	.65+	....	....	....	*	....
Howey	Patricia	Gold	1930	5,000,000	$1	900	460,428	866,606	1,120,670	4.17	4.10	3.95	5.55	4.46	3.96	D	D	.025	....	....	....	....	....	212,902	....
International Nickel	Sudbury	Ni.-cu.	1887	14,584,025 $27,627,825	N.P.V. Pref.	8,000	18,389,983	10,556,001	4,473,914	....	....	....	....	....	....	.67	.22	D	1906	Pref.	1.00	.45	....	25,858,371	....
Kirkland Lake Gold	Kirkland Lake	Gold	1919	5,239,123	$1	150	533,851	586,250	524,329	10.24	11.14	9.30	8.83	8.13	8.32	.001	.039	.026	....	....	....	....	....	298,292	....
Lake Shore	Kirkland Lake	Gold	1916	2,000,000	$1	2,500	7,836,779	11,065,618	12,647,128	14.06	13.10	14.80	7.52	6.68	7.31	1.56	2.25	3.90	1918	3.00	1.30	1.80	3.00	3,671,999	Fiscal yr. June 30
Minto	Michipicoten	Gold	1931	8,000	N.P.V.	50	....	72,824	163,513	....	7.70	9.73	....	....	....	....	....	....	....	....	....	....	....	......	Private company
Miller Lake O'Brien	Gowganda	Silver	1910	....	....	150	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	......	Private company
Moss	Thunder Bay	Gold	1932	4,000,000	$1	100	....	....	173,903	....	....	6.85	....	....	....	....	....	D	....	....	....	....	....	*	Financing
McIntyre	Porcupine	Gold	1912	798,000	$5	2,000	4,696,578	4,756,880	5,424,728	8.05	8.30	7.63	5.57	5.63	5.38	1.44	1.62	1.98	1917	1.50	1.00	1.00	1.25	2,954,438	Yr. ended Mar. 31
O'Brien	Cobalt	Silver	1906	....	....	150	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	......	Private company
Parkhill	Michipicoten	Gold	1931	2,810,044	$1	100	....	68,811	146,798	....	7.58	8.73	....	*	*	....	D	D	....	....	....	....	....	*	No statement
Sylvanite	Kirkland Lake	Gold	1928	3,299,500	$1	265	794,459	901,163	828,195	9.16	10.08	9.47	9.13	8.76	8.05	.01	.04	.07	1931	.04	....	.04	.05	645,474	Yr. end. Mar. 31
Teck-Hughes	Kirkland Lake	Gold	1917	4,807,144	$1	1,300	5,398,271	6,093,199	5,855,570	15.90	15.08	12.52	7.22	6.91	6.60	.64	.69	.77	1926	.60	.60	.65	.60	3,039,331	Yr. ends Aug. 31
Toburn	Kirkland Lake	Gold	1932	1,850,000	$1	100	....	....	203,642	....	....	13.86	....	....	....	....	....	....	....	....	....	....	....	*	No statement
Vipond	Porcupine	Gold	1924	2,250,000	$1	300	909,414	564,291	454,412	7.91	6.65	4.69	5.67	6.47	6.04	.13	.027	D	1927	....	....	....	....	853,014	Yr. ends July 31
Wright-Hargreaves	Kirkland Lake	Gold	1921	5,500,000	$1	800	2,432,888	2,909,837	3,548,161	11.03	10.93	12.00	7.75	6.72	7.72	.14	.21	.32	1921	.20	.05	.15	.20	1,914,868	....
Quebec:																									
Beattie	Duparquet	Gold	1933	3,079,305	N.P.V.	600	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	*	To start in April
Bussieres	Pascalis	Gold	1932	3,000,000	N.P.V.	100	....	....	*	....	....	*	....	....	....	....	....	....	....	....	....	....	....	*	Started in Aug.
Granada	Rouyn	Gold	1930	929,600	$1	200	....	233,884	265,996	....	13.10	8.65	....	....	....	....	....	....	....	....	....	....	....	33,403	Yr. end. June 30
Noranda	Rouyn	Copper-Gold	1927	2,239,772	N.P.V.	2,000	11,967,472	10,506,238	11,752,629	13.80	10.37	9.66	....	....	....	1.72	1.06	1.61	1929	1.10	1.75	.50	1.10	6,561,818	....
O'Brien-Cadillac	Cadillac	Gold	1932	....	....	100	....	....	*	....	....	....	....	....	....	....	....	....	....	....	....	....	....	......	Private company
Siscoe	Harricana	Gold	1929	4,580,065	$1	225	367,266	742,812	1,006,297	10.88	13.35	15.62	10.81	8.77	8.97	.001	.073	.122	1932	.12	....	....	.11	385,529	....

* Not yet available. D Deficit.

HUDSON BAY MINING and SMELTING CO. LIMITED

SMELTERS AND REFINERS

OF

CUSTOMS ORE—COPPER, ZINC, GOLD AND SILVER

SMELTER AT FLIN FLON, MANITOBA

WRIGHT-HARGREAVES

Deep Work is Writing New Chapter as Mill Expanded

Wright-Hargreaves Mines was incorporated in 1916 by Buffalo interests to develop a gold property immediately east of the Lake Shore Mines at Kirkland Lake, Ont. Production started in 1921 and a dividend was paid the same year.

Production continued on an ascending scale to about 700 tons daily until 1929, when owing to diminished ore reserves operations were curtailed and an aggressive development programme undertaken. This development programme was successful in extending the ore potentialities of the property and production has been gradually brought back to approximately 825 tons of ore daily. Expansion under way, planned for completion in August 1933 will bring the capacity up to 1,000 tons daily. Subsequent to mill expansion plans deep development work was undertaken to a depth of 4,000 ft. This development work has steadily added to the ore reserves, which at the end of 1932 were estimated at 951,930 tons averaging $13.54 per ton. Present indications are that, as work progresses, substantial additions will be made to the company's ore position.

Production in Calendar Years

Year	Tons Milled	Recovery per ton	Bullion Recovered
1921*	36,081	$13.00	$468,665
1922	66,181	11.52	762,752
1923	79,242	9.52	754,978
1924	84,487	12.89	1,088,725
1925	147,939	12.93	1,913,401
1926	153,392	14.02	2,150,844
1927	209,164	10.51	2,151,916
1928	256,331	7.20	1,845,923
1929	188,238	9.25	1,741,872
1930	220,430	11.03	2,431,896
1931	266,352	10.93	2,912,308
1932	295,525	12.00	3,546,908
	2,003,362	$10.87	$21,770,182

*Eight months.

Production Costs Per Ton

	1932 $	1931 $	1930 $
Devel. and explor.	1.54	1.33	1.08
Mining	2.92	2.91	2.95
Milling	1.09	1.17	1.10
Taxes & marketing	.72	.43	.36
Gen. & admin. exp.	.85	.64	.52
Total costs per ton	7.12	6.48	6.01
Deprec. & w/o	.60	.24	1.74
Total costs per ton	7.72	6.72	7.75

With ore reserves being rapidly increased, the question arises as to ultimate milling capacity.

Earnings have been mounting rapidly in the past three years and indications are that 1933 profits will show an advance over those in 1932.

Common Shares—Par, No. Issued, 5,500,000.

Price Range:	High	Low	Mar. 24
1933	5.05	3.78	4.23
1932	3.85	2.09	....

Earned: 1932, $0.32; 1931, $0.21; 1930, $0.14.
Dividend Rate: 20 cents; yield, 4.72%.
Listed: Standard Stock & Mining, Toronto; Montreal Curb; New York Curb; Winnipeg Exchange.

SISCOE GOLD MINES

Pioneering New Area With Promising Results

Siscoe Mines was incorporated in 1920 and is pioneering a new section in Northwestern Quebec.

The property consists of 1,174 acres on Siscoe Island in Varson township and in adjoining holdings.

Production operations started early in 1929 with a 50-ton mill and inaugurating production of Quebec's first exclusive gold producer. Since that time operations have steadily expanded and dividends were inaugurated in March, 1932. The mill currently treating around 175 tons daily. is to be stepped up to 225 tons this spring and plans are laid for a capacity of 300 tons daily later this year.

Development has been carried to a depth of 1,001 ft. Deepened from 600 ft. in 1932.

Owing to the somewhat erratic nature of the ore shoots it is stated to be extremely difficult to predict with any degree of certainty how much ore has been opened up. The commercial ore on December 31, 1932, was 225,000 tons while developments are continually adding to this reserve.

The following is a tabulation of production and costs:

Production Summary

Year	Tons Milled	Recov. per ton	Production
1929	29,836	$10.30	$307,404
1930	33,744	10.88	367,266
1931	55,675	13.35	742,812
1932	63,998	15.62	1,006,297
			$2,153,779

Production Costs Per Ton

	1932 $	1931 $	1930 $
Develop. & explor.	1.39	1.41	2.87
Mining	2.49	2.96	3.08
Milling	1.51	1.41	2.24
Taxes & marketing	1.07	.69	.27
General & adminis.	1.37	1.09	1.41
Total oper. costs	7.83	7.56	9.87
Deprec. & res.	1.14	1.21	.94
Total costs per ton	8.97	8.77	10.81

The company's operations are largely pioneering the eastern extension of the Northwestern Quebec copper-gold belt, and the success met with has been largely responsible in attracting further attention to the area.

The company is in a strong liquid position with current assets of $646,-84 as against current liabilities of 90,183 on December 31, 1932.

An initial dividend of four cents per share was paid on March 31, 1932. The company has no established dividend policy, but it is apparent that it is the intention of officials to disburse earnings to shareholders as fast as possible without impairing the company's financial position. Dividends paid in 1932 totalled $500,620.

The immediate outlook for the company is regarded as most encouraging. It is meeting with success in its ore development. The extent of the success met with in its exploration work and proving up ore will govern the company's future earnings.

Common Shares—Par, $1. Issued, $4,580,065

Price Range:	High	Low	Mar. 24
1933	1.77	1.25	1.40
1932	1.39	.50	....

Earned: 1932, $0.122; 1931, $0.073; 1930, $0.001.
Dividend Rate: 12c.; yield 8.57%
Listed: Standard Stock & Mining, Toronto; Montreal Curb; Winnipeg Stock Exchange.

Galatea Gold Mines

Galatea Gold Mines was incorporated in December, 1932, by James McCrea, and optioned to Ventures Ltd. to prospect a potentially large low grade gold prospect comprising 1,080 acres in Duparquet township, Quebec, adjacent to the Beattie property. Diamond drilling is under way.

The company has a capitalization of 5,000,000 shares of no par value and control will go to Ventures Ltd. as and when all options are exercised.

Ontario Gold Production

Ontario gold mines produced $3,-5,354 in the month of February, an increase of $110,000 over the January output. The production of gold in Ontario for the year 1932, according to the latest reports of the Ontario Department of Mines, amounted in value to $46,773,154.

Canada Gold Estimate For 1933 $68,750,000

Early in 1931, also in 1932, The Financial Post made preliminary estimates of Canada's gold production, itemizing and estimating the output of each province and mine and arriving at a total in each instance that proved to be within one-half of one per cent of the subsequent official figures. The estimating of the 1933 production becomes somewhat more involved owing to the new mills starting up and the uncertainty of the initial production, but the following tabulation is offered for what is believed to be a reliable guide of what may be expected during the current year:

	1932 Official (prelim.)	1933 Estimate
Alberta		
Miscellaneous	$ 2,294	$ 5,000
British Columbia		
Bralorne	*550,000	500,000
Cariboo Gold Quartz	......	100,000
Pioneer	*800,000	1,000,000
Premier	1,627,080	1,200,000
Reno	......	300,000
Placer Deposits	333,065	500,000
Base metal and miscellaneous	793,627	1,400,000
	4,103,772	5,000,000
Manitoba		
Central Manitoba	449,432	500,000
Island Lake	......	90,000
San Antonio	286,442	650,000
Base metal and miscellaneous	1,785,718	2,000,000
	2,521,592	3,240,000
Saskatchewan		
Miscellaneous	282	......
Nova Scotia		
Miscellaneous	19,928	15,000
Ontario		
Ashley	61,191	350,000
Ankerite	219,172	225,000
Barry Hollinger	160,423	100,000
Central Patricia	......	90,000
Coniaurum	859,566	800,000
Dome	4,033,296	4,000,000
Hayden	......	50,000
Hollinger	10,328,637	10,500,000
Howey	1,115,197	1,500,000
Kirkland Lake Gold	523,467	450,000
Lake Shore	12,619,380	13,000,000
Minto	163,443	160,000
Moss	161,293	175,000
McIntyre	5,410,338	5,500,000
Parkhill	146,673	150,000
Sylvanite	825,205	850,000
Teck Hughes	5,847,693	5,300,000
Toburn	203,421	500,000
Vipond	453,529	375,000
Wright Hargreaves	3,541,070	4,000,000
Base metal and miscellaneous	609,280	500,000
	47,282,274	48,575,000
Quebec		
Beattie	......	340,000
Granada	? ?	275,000
Noranda	7,055,705	8,500,000
O'Brien	? ?	300,000
Siscoe	1,006,707	1,200,000
Bussieres	? ?	200,000
Miscellaneous	129,154	100,000
	8,291,576	10,915,000
Yukon		
Miscellaneous	839,421	1,000,000
Grand total for Canada	$63,061,103	$68,750,000

PARKHILL GOLD

Production From Limited Area Lends Hope For Long Untried Prospect

Parkhill Gold Mines, incorporated in 1929 and sponsored by a Montreal group headed by Sir Thomas Tait, was brought into production in mid-summer, 1931.

The company's property consists of 320 acres in the Michipocoten area, Ontario, five miles southeast of Wawa on the Algoma Central Railway. The main vein system has been traced 2,800 ft. across the property. The gold occurs in rich but erratic lenses that have been partially developed to a depth of 615 ft. Exploration has been confined to about 500 ft. on the vein system. Plans now call for broadening exploration effort.

After the shut-down of milling operations for the first few weeks in 1933 operations were resumed in February following refinements made in milling facilities that will increase the capacity. Current operations are held to a gold output of approximately 1,500 tons daily.

The following tabulation gives production since the inception of operations:

Production

	Tons milled	Recovery per ton	Bullion produced
1931	9,082	$7.58	$68,811
1932	16,822	8.73	146,798
			$215,609

Common Shares—Par, $1. Issued, $2,750,000.

Price Range:	High	Low	Mar. 24
1932	.21	.11	.20½
1932	.17	.07	.....

Listed: Montreal Curb (unlisted section).

BUFFALO ANKERITE

Old Producer Takes New Lease on Life

Buffalo Ankerite Gold Mines was incorporated in 1932 by Buffalo interests to acquire the Ankerite property consisting of three claims in Deloro township, Porcupine district, Ontario, about four miles south of the Hollinger Gold Mines.

Previous operators of the property between 1926 and 1930 produced $861,698 in gold. The present company resumed operations in May, 1932, and to the end of that year recovered $219,482 from 55,267 tons of ore milled, an average recovery of $3.98 per ton and an average milling rate of 200 tons daily. The average daily milling rate is approximately 280 tons.

Although the recovery per ton is low, officials state that an operating profit is made and that the broken ore reserves are about 20,000 tons, while the developed commercial ore is approximately one-and-a-half year's supply at present milling rate. Development work has been carried to the relatively shallow depths of 600 ft. The company made a public offering of 50,000 shares at 60 cents each in February, 1933, to finance further development work.

Common Shares—Par, $1, Issued, $500,000.

Reno Gold Mines

Reno Gold Mines was incorporated in 1920 to develop a property on Fawn Creek, 13 miles south of Salmo, B.C.

A number of tunnels were driven into the mountainside to develop a series of parallel fissure veins. Production started in August, 1929, with a 25-ton mill, but a fire swept the property in February, 1932.

Subsequently the company acquired the adjacent Nugget - Motherlode group of claims together with the old Motherlode mill which it rehabilitated for a production of 100 tons daily. Operations were resumed early in 1933 with the January production indicated as approximately $30,000. Production is coming from the Reno group of claims, but consideration is being given to bringing the Nugget-Motherlode section into production.

After paying for plant reconstruction the company is reported to have had approximately $15,000 in its treasury at the time operations were resumed.

Common Shares—Par, $1. Issued, $1,816,306.

Price Range:	High	Low	Mar. 24
1933	.77	.60	.61
1932	.66½	.21½	...

Earned, Yr. end. Apr. 30: 1932, $0.013.
Listed: Vancouver Stock Exchange.

MINING CORP.

Mining Existence Being Perpetuated by Subsidiary Interests

The Mining Corp. of Canada was incorporated in 1916 to consolidate a number of silver-cobalt producers at Cobalt, Ont., which produced, before suspending operations in 1932, over 50,000,000 oz. silver, from which dividends totalling $7,572,957 were disbursed between 1914 and 1929.

In order to perpetuate its mining existence the company has aggressively pursued exploration and is responsible for interesting capital in the Hudson Bay Mining & Smelting Co. in which it owns a substantial interest. It also owns 35 per cent interest in the Base Metals Mining Corp., a lead-zinc producer that demonstrated great possibilities with higher metal prices, as well as several important prospects.

Mining Being Perpetuated

In 1930 the company's prospectors pioneered the revival of interest in the Matachewan area of Ontario by staking a gold property which was brought into production in August, 1930, as a subsidiary of Mining Corp., known as the Ashley Gold Mines. Mining Corp. owns approximately 70 per cent interest in this company.

The working capital of the company on December 31, 1931, was $291,068, in addition to its investments in mining companies, carried at a book value of $1,538,578.

The management record of the company is unique in that it is the only mining company financed in Great Britain that has carried its operations to successful production and dividends. It is also unique in that it is one of the few mining enterprises in Canada that has been able to repeat by bringing in a new mine serving to perpetuate the company's existence as a mining enterprise.

The hope for resumption of dividends is largely tied up with improvement in base metal prices that would permit dividends accruing from its investments security or by the Ashley Gold Mining Corp. paying dividends. As a holding company the Mining Corp. has been very successful in its investment and market activity and in the past a substantial part of its income has been from this source.

Common Shares—Par, No. Issued, 1,660,050.

Price Range:	High	Low	Mar. 24
1933	1.80	1.20	1.42
1932	1.85	.58	....

Earned: 1931, $0.209; 1930, nil.
Listed: Standard Mining, Toronto; Montreal and Toronto Curb; New York Curb; Chicago Stock Exchange, London, Eng. Stock Exchange; Winnipeg Exchange.

Maritime Fur Sales Increase

The winter season of 1933 saw an increase of 25 per cent in the sale of New Brunswick. for fox fur pelts, according to an official of the Maritime Black Fox Limited. All of these pelts have been sold in Montreal and London.

BRITANNIA

Keeps Going Owing to High Efficiency of Organization

Britannia Mining & Smelting Co., was incorporated in 1908 by the Howe Sound Co., to develop a copper property at Howe Sound, B.C.

Production since 1910 was waged on a continually increasing scale until 1931 when retrenchment was started, which resulted in 1932 in the property being on approximately ten per cent normal basis.

Inasmuch as the company is controlled by the Howe Sound Co., no separate accounts are rendered, but the fact that the property has been able to keep going in the face of the lowest copper prices in history confirms it as a low cost producer.

PIONEER GOLD OF B. C.

Development Brightens Outlook for Company's Future

Pioneer Gold Mines of B.C., incorporated in 1928 is testing the profitable mine-making possibilities of a property which has been under intermittent exploration for the last 35 years. Dividends were inaugurated in April 1931. Disbursements total $575,677 to date.

The company's property consists of 700 acres at Cadwallader Creek, Lillooet mining division of British Columbia. How successful the undertaking has been is told by the steady increase in production since the present company took hold of the property. Encouraged by development in the past four years an expansion programme was completed late in 1932 which will provide for a milling capacity of 300 tons daily.

Production by the present company was started in 1928 with a 100 ton mill, powered by its own hydro-electric development. Recovery was valued at $141,213 in December 1932, from 6,979 tons milled, an average recovery of $21.64 per ton.

Production Years Ended Mar. 31

Year	Tons Milled	Recovery per ton	Bullion Recovered
1929	*25,660	$12.85	$179,333
1930	†21,110	10.46	162,281
1931	26,700	13.07	350,000
1932	37,234	18.28	680,798
			$1,372,412

*Including 14,500 tons of tailings, giving a recovery of $3.30 per ton.
†Including 8,220 tons of tailings, giving a recovery of $3.35 per ton.

Production Costs Per Ton

	1932 $
Exploration and develop. / Mining	4.75
Milling	1.41
Taxes and marketing	1.83
Adminis. and gen. exp.	1.79
Operating costs	9.78
Depreciation	.53
Depletion	4.00
Total costs	14.31

Development has been carried out through adits driven into the mountain side from which shafts have been sunk to a total depth of 1,625 ft. The vein in places reaches widths from 8 to 10 ft. which maintains an average stopping width of about 3½ ft. showing ribbon like structure with high but erratic values. The estimated ore developed between the 5th and 9th levels is reported at $5,000,000.

Net profits have been steadily increasing and market prices for the shares have steadily advanced as New York interests become interested in the company. Prices advanced until yield is low and future earnings are discounted. Increased production is expected to reflect in relatively higher earnings.

Common Shares—Par, $1. Issued, $1,751,750.

Price Range:	High	Low	Mar. 24
1933	6.15	4.30	5.70
1932	4.94	3.00	....

Earned, Yr. end. Mar. 31: 1932, $0.12; 1931, $0.0324; 1930, $0.0044.
Dividend Rate: 24c.; yield, 4.21%.
Listed: Montreal Curb (unlisted); Standard Stock & Mining, Toronto; Vancouver Stock Exchange; New York Curb; Winnipeg Stock Exchange.

Dr. Milton L. Hersey, President — Roy Geddes, Treasurer — Joel S. Saxe, Secretary — W.T. May, Jas. G. Ross, R.W. Howe, Consulting Mining Engineers — Robert Job, A.S., Vice-President — C. R. Hazen, M.Sc., Vice-President

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Cariboo Gold Quartz Mining Co., Ltd.

Non-personal Liability. Incorporated under the Laws of British Columbia. Capitalization: Authorized, 2,000,000 shares, par value $1.00. President, Dr. W. B. Burnett, 521 Birks Bldg., Vancouver, B.C.; Sec'y-Treas., J. R. V. Dunlop, 615 Bower Bldg., Vancouver, B.C. Director, Fred M. Wells, Superintendent, Barkerville, B.C.; Director, O. H. Solibakke, Seattle, Wash. Property at Barkerville, Cariboo district of British Columbia, 61 claims.

Looking Backward and Forward

OUR mill has been turning over for some time and advices from the mine tell us that she is running sweetly and that we are finally actually on our way toward the production of the precious metal the world is crying for. Throughout the long and trying period of our financing we told our shareholders and the public that we hoped to be able to complete the job and put our property on a dividend paying basis leaving half our capital stock still in the treasury. Now that the job is done and we are looking ahead to many years of increasing dividend checks, we feel that a recapitulation of our story is in order.

STOCK ALLOTMENT

The Cariboo Gold Quartz Mining Company, Limited, was granted a charter under the British Columbia Companies' Act in February, 1927, with an authorized capitalization of 2,000,000 shares of a par value of $1.00, allotted as follows:

Paid for Property	255,000 shares	12.75%
For Promotion	125,000 shares	6.25%
Sold to Public	619,000 shares	30.95%
		49.95%

Stock now issued (as of February 22nd, 1933) totals 999,000 shares or 50% minus of the capitalization. Stock remaining in the company treasury, 1,001,000 or 50% plus of the capitalization.

THE PROPERTY

The original property of our company consisted of 15 claims totalling 750 acres in area. It now consists of 61 claims which, including fractions, gives us an area comprising more than 2400 acres in one solid block on Island, Barkerville and Cow Mountains. The additional 46 claims, acquired by the company officers, have been turned in to the company at a total cost to the treasury of 25,000 shares.

STOCK DISTRIBUTION

A small amount of stock was sold before the beginning of actual development work in March and April of 1927 at a price of twenty cents. From May, 1927, until May, 1929, it sold at 50 cents. From May, 1929, until June, 1930, it sold at 75 cents, and from June, 1930, to December, 1932, it sold at $1.00.

All sales of treasury shares have netted the company in excess of 80% of each dollar collected. The less than 20% retained by the fiscal agent has been applied on the expense of maintaining the Seattle office and the payment of commissions and advertising. When the cost of financing was not covered by this amount the deficit was covered by donations of stock from the directors from their personal holdings.

OUR SHAREHOLDERS

A total of 1300 shareholders are at present partners in this enterprise and the shares are held as follows:

In the State of Washington	55%	In Ontario	20%
In other States	11%	In British Columbia	13%
Alaska and Europe	½%	In other Canadian Provinces	½%
Outside of Canada	66½%	In Canada	33½%

A total of $24,500 has been expended in advertising, of which amount 50% was spent in British Columbia. It has been our policy to keep our shareholders constantly and completely informed as to every detail of our development and our plans, and this policy has been rewarded by an unusual measure of genuine loyalty on the part of those shareholders.

HOLD YOUR STOCK

The officers of this company have handled the money of the shareholders in a conservative and efficient manner which has earned the complete confidence of every investor. It is the proud boast of those officers that, even when unfortunate circumstances have forced a shareholder to dispose of his holdings, not one of them has been allowed to lose a cent in the stock of Cariboo Gold Quartz. We realize that the present market trend may tempt shareholders, hard pressed for funds, to take a profit now, at the sacrifice of what we are certain will be a far greater future profit. In our opinion present market prices of Cariboo Gold are far below the intrinsic value based on probable earning power as the property develops to capacity. It is a good buy at today's prices. Hold your stock if you possibly can. Our advice is buy if you can, don't sell unless you must.

IT MEANS WHAT IT SAYS

Recently a Cariboo shareholder, a passenger on a ferry, overheard two strangers, evidently not shareholders, discussing Cariboo Gold. One of them said, "There is no question about the property—they must have a real mine, but you will see a reorganization of the company within a year. It is not possible that the man who financed that company is such a philanthropist as to protect the small shareholder in the company." I lay no claim to the title of philanthropist, but I would like to talk to that gentleman for a couple of hours. It is just barely possible that I might awaken his benighted brain to a line of thinking quite evidently entirely foreign to its usual habit of thought. I am hoping that he will read the message which follows and which has appeared in all our advertising copy for some time past. It means just exactly what it says, as everyone who knows us will testify.

Cariboo Gold Quartz Is Different

The Cariboo Gold Quartz is one mine in which the original shareholders are going all the way from the development of a prospect to production and profits.

This is one company which will not be reorganized.

Here is one financial structure in which there will be no "shake out" of those who put up the original money.

This is one mining promotion in which the confidence of the investors is greater today than it was the day they entrusted their funds to our management.

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Operating Gold Property in Bridge River District of British Columbia.

Scallop Market Shows Strength

New Brunswick fishermen landed 2,825 barrels of scallops in January, or more than five times the quantity they brought ashore in January, 1932. In Nova Scotia the landings totalled 4,274 barrels or substantially more than twice the size of the catch in the 1932 month. The price obtained was also somewhat higher than last year.

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HOLLINGER CONS. GOLD MINES

Graton Report Gave Little to Shareholders But Aggressive Exploration Holds Out Some Promise

Hollinger Consolidated Gold Mines is an outgrowth of the predecessor company incorporated in 1910 by N. A. Timmins and associates, and is Canada's premier gold producer from the standpoint of ore treated, gold produced and dividends paid.

It pioneered the development of the Porcupine area and has been a continuous producer since 1910 producing gold bullion to the end of 1932 valued at $179,589,871 and disbursing $61,920,400 in dividends to its shareholders.

In 1929 it formed an investment subsidiary known as the International Bond & Share Corp., to manage its investment interest which at that time amounted to $11,195,988. The income from its investments has formed an important source of revenue for the company, but due to market depreciation the securities held have shrunken in common with most investment portfolios.

Costs Are Down

Following a steadily increasing production programme milling facilities were increased in 1927 to a capacity of 8,000 tons per day, but this capacity was not entirely utilized, the peak production having been reached in that year. Currently operations are at high level with the mill treating close to 4,800 tons daily.

Production Costs Per Ton

	1931	1930	1929
	$	$	$
Devel., explor. & min.	3.22	2.98	2.86
Milling	.62	.64	.66
Taxes	.25	.20	.21
Gen. & adminis. exp.	.39	.38	.43
Total oper. costs	4.48	4.20	4.16
Deprec. & write-offs	.05	.07	.04
Total cost per ton	4.53	4.27	4.20

The company's property, totalling approximately 560 acres adjoining the town of Timmins, Ont., has been developed to a maximum depth of 3,950 ft. with plans for exploration deeper. Developed ore reserves at the end of 1931 totalled $46,241,688 at an average of $7.41 per ton. This is sufficient for about four years' supply for current mill capacity.

In 1928 it was announced that development at depth at that time did not provide the additional ore anticipated and an intensive geological study was inaugurated by Dr. L. C. Graton, geologist of Harvard University, to determine the possibilities of ore at depth. This study has been continuous until the fall of 1932 when a report was made that gave little or nothing to guide the shareholder.

Doing Deep Work

Simultaneous with Dr. Graton's study an intensive development programme has been carried out. Some success was met by cutting the downward extension of the known vein system at 3,950 ft. horizon adjacent to the Schumacher section of the company's property. Future work is to be directed toward determining the possibilities of this Schumacher area.

During the past several years this company has been able to develop sufficient new ore to replace that removed. In 1931, however, there was a decline in ore reserves from those of the previous year which is explained as due to the change in the system of mining.

The company maintains an exploration staff to search for new properties and owns a copper prospect in Kamiskotia district, Ontario. It also owns a substantial interest in San Antonio Gold Mines. Hollinger also has several prospects in Quebec giving interesting indications.

Liquid Position Strong

At the end of 1931 the working capital of the company was $1,927,889. In addition, it has its investment in the International Bond & Share Corp. which had a value of $3,104,440 on December 31, 1931.

Current earnings are more than covering dividend requirements and ore reserves are sufficient to ensure profitable operations in immediately succeeding years. The future of the company is tied up largely with the measure of success it enjoys in its systematic search for ore.

Production Years Ended Dec. 31

Year	Tons Milled	Recov. per ton	Production
1910	813	$38.35	$31,194
1911*	1,000	46.08	46,082
1912	45,195	20.11	909,181
1913	138,291	17.82	2,465,978
1914	208,896	12.88	2,688,355
1915	334,750	9.50	3,169,928
1916	501,854	8.13	4,073,401
1917	514,301	8.29	4,261,938
1918	578,735	9.87	5,752,371
1919	597,409	9.45	5,722,266
1920	650,205	9.56	6,219,665
1921	1,073,498	9.36	10,031,051
1922	1,491,381	8.25	12,274,114
1923	1,368,332	7.64	10,446,412
1924	1,553,475	8.10	13,429,226
1925	1,929,988	8.18	15,786,405
1926	1,932,559	7.65	14,780,637
1927	2,178,429	6.68	14,548,900
1928	1,594,073	6.09	9,712,822
1929	1,549,157	6.09	9,433,767
1930	1,625,854	6.31	10,263,505
1931	1,640,705	6.15	10,094,459
1932	1,754,863	5.90	10,356,848
			$179,589,871

*Records destroyed by bush fire, estimates only.

Common Shares — Par, $5. Issued, $24,600,000

Price Range:	High	Low	Mar. 24
1933	8.75	6.00	7.00
1932	6.25	4.25	....

Earned: 1932, $0.81; 1931, $0.71; 1930, $0.81.
Dividend Rate: 65c.+10c.; yield 10.71%.
Listed: Standard Stock & Mining, Toronto; New York Curb; Montreal Stock Exchange; Winnipeg Stock Exchange.

SYLVANITE GOLD

Promising Area Being Aggressively Explored By New Work at Depth

Sylvanite Gold Mines, incorporated in 1913, was brought into production in 1927 by a Buffalo group headed by Welles V. Moot as managing director. Dividends were initiated in Dec., 1930, and about $375,000 has been disbursed to date.

Initial production of 200 tons daily has been gradually stepped up due to minor refinements and increased efficiency to around 265 tons daily. The management has stated that further increases will not be considered until at least two years' ore is blocked out.

The company's property consists of 228 acres in Teck township, Kirkland Lake, Ontario, immediately east of the Wright-Hargreaves Mines. Development has been carried to a maximum depth of 3,000 ft. with an immediate objective of 3,500 ft. planned.

Production in Fiscal Years Ended Mar. 31

Year	Tons Milled	Recovery per ton	Bullion Recovered
1928	57,341	$10.62	$ 609,181
1929	70,833	10.41	737,573
1930	75,408	9.16	690,400
1931	83,034	10.08	837,014
1932	94,276	9.47	892,562
1933 (est.)	96,891	8.56	828,195
			$4,594,925

Production Costs Per Ton

	1932	1931	1930
	$	$	$
Devel. & explor.	1.96	2.56	2.74
Mining	3.03	3.22	3.14
Milling	1.19	1.28	1.33
Taxes	.24	.09	....
Gen. adminis. & exp.	.79	.67	.93
Total op. costs	7.21	7.82	8.14
Deprec.	.84	.94	.99
Total costs per ton	8.05	8.76	9.13

On the 3,000-ft. level, a short distance north of the Wright-Hargreaves north boundary and somewhat east of its east boundary, a very promising vein has been encountered that has the appearances of being the easterly extension of the vein on the 3,000-ft. level at Wright-Hargreaves. This vein has been opened up for about 400 ft. averaging $10 per ton in gold, over drift width.

Recently the same vein was encountered in the north crosscut on the 2,750-ft. level, and at the point of intersection showed ore of higher grade. On the 2,500-ft. level the north crosscut intersected what appeared to be the same vein but which was later found to be much farther north than the dip on the 2,750 and 3,000-ft. levels indicated. North of the shaft on the 2,500 ft. and 2,750 ft. levels another vein with some sections of ore has been developed. What is known as the South vein has been responding to development with good ore on the 2,500-ft. level.

Broken ore has increased to about 100,000 tons as compared with 81,000 tons showed in last years report.

No programme of mill expansion is contemplated until development has been satisfactorily completed to at least the 3,500 ft. level.

Common Shares—Par, $1. Issued, $3,299,500.

Price Range:	High	Low	Mar. 24
1933	1.24	.72	.81
1932	.87	.39	...

Earned: 1932, $0.07; 1931, $0.04; 1930, $0.01. (Yr. end. Mar. 31).
Dividend Rate: 4+1c.; yield, 6.17%.
Listde: Montreal Curb (unlisted); Standard Stock & Mining, Toronto; Winnipeg Stock Exchange.

NORANDA MINES

Canada's Premier Copper Producer That is Now Third in Gold Output—Largest Reported Gold Ore Reserves in Canada

Noranda Mines, upon incorporation in 1922 was a name only. Now it is one of Canada's fast growing mining enterprises; one of the richest known gold-copper mines in the world; is the largest copper producer, also the third largest gold producer in Canada. Production started late in 1927; dividends in January, 1930, with disbursements to date over $9,700,000. The enterprise is directed by a well-known group of New York and Canadian mining men headed by J. Y. Murdoch, K.C. It has pioneered mining development in Northwestern Quebec and the success it has met with in its development programme has prompted a steadily increasing plant expansion with further facilities made available in March last that will augment the gold production.

Due to the flexibility of its ore deposits the company is in a fortuitous position that lends itself to so adjusting its mining and metallurgical operations to curtail the copper output and accentuate the gold production and thereby minimize the effect of low copper prices.

At the present time the value of its gold recovery exceeds all operating and administrative expenses.

Has Fabricating Subsidiaries

In order to control its copper output from mine to market, the company, in 1931, inaugurated refining operations at its subsidiary, the Canadian Copper Refiners at Montreal East. It also acquired an interest in the Canada Wire & Cable Co., which has a copper rod mill adjoining the refinery. The company, therefore, is able to control an important part of its output from ore to fabricated articles. The balance of its refined copper output is entirely sold in Great Britain where favorable marketing connections have been established.

The following tabulation gives production from recent inception of operations:

	Production Copper Lbs.	Gold Ozs.	Silver Ozs.
1927	552,845	767	2,644
1928	33,065,261	52,949	186,277
1929	51,223,115	68,732	334,279
1930	75,509,373	117,393	691,920
1931	62,859,355	253,363	558,801
1932	63,013,485	341,350	619,597

The company's property, comprising some 1,500 acres in Rouyn township, Quebec, is the site of its mining and primary metallurgical operations. Initial production started with a 1,000-ton smelter which has been increased to 2,500 tons daily. Concentrating operations have been increased from 250 tons in 1928 to 1,000 tons daily in 1932 and an addition was completed in March that will bring the concentrator capacity to 2,000 tons daily.

Common Shares—Par, No. Issued, 2,239,772.

Price Range:	High	Low	Mar. 24
1933	26.50	19.75	23.00
1932	23.25	12.50	.....

Earned: 1932, $1.61; 1931, $1.06; 1930, $1.72.
Dividend Rate: $1.10.*
*Paid in U. S. funds in 1932.
Listed: Standard Mining, Toronto; Montreal Curb; New York Exchange; Vancouver Exchange; Chicago Board of Trade (unlisted trading privileges); Winnipeg Exchange.

"More Gold!"

Gold Bullion to the standard value of 47 million dollars, or 53 million dollars in Canadian Funds, was produced by the Mines of Ontario in 1932. This is a record annual output, being an increase of 4 Million Dollars in standard value over the output for 1931.

Ontario Gold Mines have paid dividends to the end of 1932 amounting to $135,104,303. Dividends for 1932 amounted to $16,015,018.

Ontario Department of Mines,
HON. CHARLES McCREA,
Minister of Mines

ELDORADO GOLD MINES LIMITED

(No Personal Liability)

CAPITALIZATION

Authorized $3,000,000 | Issued $2,868,382

Outstanding $2,868,382

OFFICERS:

CHARLES L. LaBINE, President
GILBERT A. LaBINE, Vice-President and Managing Director
J. F. DALY
SHIRLEY R. CRAGG
WM. WALTON
A. J. GILLIES
H. M. TARRAS, Secretary-Treasurer

THE chief holdings of Eldorado Gold Mines, Limited, are at Great Bear Lake in the Northwest Territories, together with a refinery at Port Hope in Ontario, where facilities have been provided for the production of radium as well as various other by-products of the pitchblende ores.

Eldorado pioneered in the silver-radium field at Great Bear Lake. Not only does the company hold the original rich discoveries of silver and radium, but is further fortified in the field through having acquired a total of over 5,000 acres.

Efficient motive power has been provided through installation of a diesel plant, and with fuel oil being secured over a direct water route to the mine. Underground operations have been in progress throughout the current winter, and the mine is being made ready for production on an increasing scale.

The refinery at Port Hope has been completed and is in operation under the direction of M. Pochon, metallurgical chemist and specialist on radium ores. This plant is so designed as to lend itself to increase in capacity accordingly as required.

Head Office
80 KING STREET W., TORONTO

Mines
GREAT BEAR LAKE, Northwest Territories

Refinery
PORT HOPE, ONTARIO

DOME MINES

New Lease of Life Adds to Ore Reserves, Production and Earnings

Dome Mines incorporated by New York interests headed by J. S. Bache in 1923 is a capital reorganization of a company of a similar name and has been a continuously profitable gold producer at Porcupine, Ont., since 1910 and a dividend payer since 1915. Dividends aggregating over $17,000,000 have been disbursed.

The company's property consists of approximately 438 acres in Tisdale township, Porcupine district, Ontario, and is equipped with a new modern 1,500 ton daily capacity mill completed in 1930.

The property has been developed to a depth of 2,875 ft. and in 1927 was commonly supposed to be nearing immediate depletion, but developments in the greenstone area north of the sedimentary basin have extended the ore possibilities on the property to an indefinite degree. Developments in 1932 1,000 ft. to the east of present 2,350 ft. workings encountered an ore zone the extent of which has not yet been determined. On December 31, 1931, the official estimate of ore reserves was given at 1,920,000 tons, the greatest ever reported. Faith in the ore potentialities of the mine was displayed by the management when it reconstructed a mill destroyed by fire late in 1929.

The following is a tabulation of production since commencement of operations together with costs.

***Production Years Ended Dec. 31**

Year	Tons Milled	Production	Recov. per ton
1910	247	$ 4,355	$17.60
1911	......	4,277	20.66
1912	75,088	737,499	9.82
1913	131,149	1,242,625	9.32
1914	221,390	1,059,238	4.33
1915	317,740	1,530,287	4.81
1916	444,900	2,154,820	4.84
1917	359,570	1,480,174	4.15
1918	clean-up	82,127	....
1919	187,580	1,290,301	6.87
1920	295,220	2,020,568	6.84
1921	335,680	2,290,264	6.82
1922	368,400	4,178,936	11.35
1923	399,800	4,374,144	10.94
1924	493,400	4,307,624	8.73
1925	530,200	4,365,923	8.23
1926	555,700	3,940,053	7.09
1927	543,300	4,031,575	7.42
1928	548,000	3,915,051	7.14
1929†	452,900	3,590,537	7.58
1930†	67,600	774,943	5.89
1931	542,600	3,486,506	6.43
1932	536,450	4,040,318	7.55
		45	

*Ontario Department of Mines report excluding exchange compensation.
†Production includes recoveries from mill clean-up after fire, of $157,646 in 1929 and $377,202 in 1930, or a total of $534,848.

Production Costs Per Ton

	1931	1930	1929
	$	$	$
Develop. & explor.	.76	....	1.35
Mining	1.15	....	1.47
Milling	1.15	....	1.08
Taxes	.40	....	.33
Gen. & adminis. exp.	.35	....	.45
Total oper. exp.	3.81	4.12	4.68
Deprec. & write-offs	1.29	....	.03
Total costs per ton	5.10	....	4.71

Common Shares—Par, No. Issued, 1,000,000.

Price Range:	High	Low	Mar. 24
1933	18.50	13.60	15.60
1932	14.50	9.00	.....

Earned: 1932, $2.30; 1930, $1.039; 1930, $0.090.
Dividend Rate: $1+30c.; yield, 8.33.%
Listed: Standard Stock & Mining, Toronto; Montreal Curb; New York Exchange; Winnipeg Stock Exchange.

Hayden Gold Mines

Hayden Gold Mines was incorporated in 1912 by a Rochester, N.Y., group but it was not until about two years ago that finances were arranged to bring the company's property in the Porcupine area of Ontario, into production.

An intensive development programme was inaugurated, which culminated in the construction of the mill of 50 tons capacity early in 1932. The property comprises approximately 625 acres in Ogden township, Porcupine district, about three miles south of the main producing section where development work has been carried to a depth of 700 ft.

Initial recoveries by the amalgamation process were low and a cyanide unit was added late in 1932.

Common Shares—Par, $1. Issued, $5,000,000.

BARRY HOLLINGER

New Finances Make Extensive Programme Possible

Barry-Hollinger Mines was incorporated in 1919 by H. C. Crow, of Toronto, and associates to develop a gold property comprising 360 acres in Pacaud township, about 12 miles south of the producing section at Kirkland Lake. Production started in 1925, but refinancing was necessary on several occasions to meet the cost of production.

In 1930 a new group headed by Dr. E. H. Greene, of Toronto, assumed charge of the company and has since waged an aggressive programme to bring the property on a profitable basis. Only one main ore shoot has been developed to the 2,000 ft. horizon through a main shaft to the 1,000 ft. level and then by a series of winzes which have materially increased mining costs.

The following tabulation gives summary of production and costs since inception of operations:

Production Years Ended Dec. 30

Year	Tons Milled	Recov. per ton	Production
1925	8,136	$7.00	$56,977
1926	13,680	6.30	86,263
1927	25,714	6.83	175,692
1928	23,060	4.85	111,767
1929	22,343	6.79	151,612
1930	31,725	6.87	218,025
1931	31,958	7.02	224,457
1932	34,977	4.59	160,529

Production Costs Per Ton

	1932	1931	1930
	$	$	$
Develop. & explor.	.11	.72	1.50
Mining	3.17	3.30	2.54
Milling	1.37	1.48	1.95
Market and taxes	.04	.19	.02
Gen. and adminis.	.94	1.62	1.46
Operating costs	5.63	7.31	7.47
Recovery per ton	4.59	7.02	6.87
Oper. loss per ton	1.04	.29	.60
Deprec. & write-offs	nil	.16	nil

Late in 1932 Sisto & Co., of New York, financially sponsored the company which resulted in a reorganization of the capital structure to provide additional treasury shares. Funds are being made to undertake an aggressive exploration programme in fertile areas in the hope of adding to the ore potentialities. On the results of this programme rest the prospects of profitable operations in the future.

As at December 31, 1932, the company had a working capital of $5,030, but money is being provided as required.

Common Shares—Par, $1. Issued, $2,384,675.

Price Range:	High	Low	Mar. 24
1933	.20	.08	.12
1932	.12	.03	...

Listed: Standard Mining, Toronto; Montreal Curb; New York Curb (to be listed); Winnipeg Exchange.

Bralorne Mines

Bralorne Mines was incorporated in April, 1931, by the Bralco Development & Investment Co., of Vancouver, B.C., to finance the old Lorne Gold property to production.

In consideration of financing Bralco received 60 per cent interest.

The property consists of some 58 claims on Cadwallader Creek in the Bridge River area of British Columbia, adjoining the Pioneer Gold Mines. Development work has been conducted principally through a main adit at an elevation of 3,416 ft. to intersect the "King" vein encountered on the surface.

Production started with a 100-ton daily capacity mill in February, 1932. To the end of October, 1932, production amounted to $362,979 with a reported operating profit of $216,952.

Current assets were said to exceed current liabilities of $100,000 as at October 31, 1932.

Considerable interest is attached to the company's operations as many years ago attempts were made to bring the property into profitable production and give it thorough tests believed warranted.

Present development work has not progressed sufficiently far to enable an estimate of ore to be made, but it is understood more ore has been blocked out than was milled. The capacity of the mill was increased to 125 tons daily early in February, 1933.

Common Shares—Par, No. Issued, 1,000,000.

Price Range:	High	Low	Mar. 24
1933	2.40	1.38	2.30
1932	1.45	.50	....

Listed: Vancouver Stock Exchange; Standard Stock & Mining Exchange, Toronto.

HOWEY GOLD MINES

Debt Cleared — Stride Set for Low-cost Production

Howey Gold Mines, organized in 1926 by John E. Hammell of Toronto, is now controlled by W. S. Cherry, of Providence R.I., and associates who advanced funds that made present operations possible.

The company has pioneered production in the Patricia district Ontario. The mill started in April 1930 and is the only producer in the area. The property consists of 23 claims at Red Lake, about 110 miles north of Hudson on the main line of the C.N.R. reached by a circuitous water route.

Financial difficulties were encountered before production was inaugurated occasioning a loan of about $600,000 from Mr Cherry. After production was started it was found that the grade of ore was substantially below that anticipated causing a loss on operations.

A management reorganization in midsummer, 1931, has been effective in maintaining the grade of ore treated at around $4 per ton and reducing operating costs to around $2.50 per ton, the lowest in the Dominion. Simultaneously mining operations were increased from 500 to 900 tons daily enabling the company to pay off the loan late in 1932.

Developments have been carried to a depth of 1,315 ft. resulting in ore reserves totalling about 2,206,150 tons being proven and indicated. The big advance in ore reserves is due to developments in 1932 encountering ore of somewhat lower grade than has been treated in the past but which is expected to show about the same margin of profit, with increased scale of operations planned for completion later in 1933.

Current production is around 900 tons of ore daily while plans under way will increase the mill to 1,300 tons by fall 1933.

Production Years Ended Dec. 31

Year	Tons Milled	Recovery per ton	Bullion Recovered
1930*	110,438	$4.17	$460,428
1931	211,552	4.10	866,606
1932	329,249	3.85	1,120,067
			**$2,447,704

*Nine months.
**Excluding exchange comp.

Production Costs Per Ton

	1932	1931	1930
	$	$	$
Develop. & explor.	0.35	0.22	0.27
Mining	1.15	1.54	2.07
Milling	.94	1.04	1.10
Taxes & marketing	.10	.05	.05
Gen. & adminis. exp.	.32	.50	.76
Operating costs	2.86	3.35	4.25
Deprec. & write-offs	1.10	1.11	1.30
Total costs per ton	3.96	4.46	5.55

Common Shares—Par, $1. Issued, $5,000,000.

Price Range:	High	Low	Mar. 24
1933	.95	.61	.66
1932	.72	.26	...

Earned: 1932, $0.0245; 1931, nil; 1930, nil.
Listed: Standard Stock & Mining, Toronto; Montreal Curb (Unlisted); Winnipeg Stock Exchange.

If...

you are desirous of sharing in the development of a really meritorious gold property you will be interested in ARNTFIELD GOLD MINES LIMITED.

The conservative capitalization of the Company, the closely-held nature of the Arntfield organization and the splendid manner in which the property is opening up under aggressive development all point to the fact that this Company will be very much in the public eye during 1933.

We will welcome either your inquiries or your active association with us as a shareholder.

ARNTFIELD
GOLD MINES LIMITED
159 Bay St., Toronto, Ont.

Buffalo Ankerite Mill and Crusher

Company Organized under Part XI of the Ontario Companies Act on October 5, 1932

Authorized Capital .... 1,000,000 shares of $1.00 par each

Total Stock Issued or to be Issued Under Present Contracts .. 550,000 shares

Present Offering ..... 50,000 shares at 60c per share Canadian Funds

Subject to allotment or prior sale

LOCATION OF PROPERTY

Township of Deloro, Porcupine District. About one-and-one-half miles southwest of Dome mine, and about three miles southeast of the Hollinger and McIntyre mines.

DEVELOPMENT

This mine has been developed to a depth of 600 feet; two shafts have been sunk—one 660 feet, the other 385 feet, and has over 14,000 feet of drifting and cross-cutting—1,900 feet of raises and winzes and 20,271 feet of diamond drilling.

OPERATION

The mill averaged 310 tons per day in February, 1933, and new installations in mill will increase this capacity. Operating costs have been reduced to $3.50 per ton.

RECOVERY

The property has produced, according to government records, $1,139,428.05 gold to March 1, 1933. The premiums on gold paid amount to an additional $35,366.53.

PRESENT ORE RESERVES

Broken ore in stopes and on dumps over 20,000 tons of commercial value. A drift on the 250 sub-level No. 5 vein proved width of vein from 15 to 20 feet. Samples in drift averaged over $12.00 to the ton. Estimated ore in this area 45,000 to 50,000 tons. No. 2 vein has had spectacular showing of free gold—No. 1 vein showing good values and tonnage. There is about two years of ore developed ahead of the mill.

FINANCES

The company owns its properties free and clear of all encumbrances except a small balance of $8,682.00 (Canadian Funds) due July, 1933, on the purchase money mortgage, and a balance of $4,159.65 (U. S. Funds). The current obligations at the mine are being paid as they become due.

PROFITS

This Company operates at a profit notwithstanding that it was necessary to do considerable development work through low grade ores to open up the present areas, and that there was but a small amount of broken ore ahead of the mill when the property was purchased from the former owners.

Briefly we have given you the facts and ask you to draw your own conclusions.

Buffalo Ankerite Gold Mines Ltd. is the twelfth largest gold producer in Ontario.

Its physical assets such as mill, development, mine property, etc., at original cost exceed its total issued stock at par 3 to 1. Net profits of $2.00 per ton equal $200,000 per year, or 33⅓% of invested capital of $600,000, although you are invited to participate on the basis of 60 cents on the dollar or a total invested capital of $360,000.00.

Above all, remember this is an operating Gold Mine, fully equipped, well located, and making a profit. No long delays for raising money, doing necessary development work, building mill, and all other hazards of an original promotion.

The company must bring its offering to you by means of advertisement, as our stock is as yet unlisted. We must have a wider distribution of the company's stock holdings before it can be listed.

Remember there is a gold boom in the making, and the profits will go to those who think clearly and act quickly. Do not overlook the fact that the value of stock in some of the big gold producers in Ontario has increased to extraordinary values from the days they were sold as unlisted stocks.

Don't wait for peak prices. Buy NOW and share in the profits.

Price 60c per share subject to allotment and prior sale.

Buffalo Ankerite Gold Mines, Limited

Stock Exchange Building, Buffalo, N.Y.

Mine Office:
South Porcupine, Ont.
Martin Knutson, Manager

Auditors:
Price, Waterhouse & Co., Rand Building, Buffalo, New York

Solicitors and Toronto Address:
White, Ruel & Bristol, 902 Lumsden Building, Toronto, Ontario

Bankers:
Dominion Bank of Canada, Timmins, Ontario
Royal Bank of Canada, Fort Erie North, Ontario
M. & T. Trust Company, Buffalo, New York

To BUFFALO ANKERITE GOLD MINES, LTD.
(No personal liability),
1005 Stock Exchange Building, Buffalo, N.Y.

Gentlemen:

I hereby make application for .... shares of the capital stock of the Buffalo Ankerite Gold Mines, Ltd. (No personal liability), a company organized under Part XI of the Ontario Companies Act and having a total authorized capital of 1,000,000 shares of the par value of $1.00 each, for which I agree to pay the sum of sixty cents ($.60) per share (Canadian Funds).

Enclosed find the sum of .... Dollars.

Dated the .... day of ...., 1933.

....
Name

Witness:

....
Address

Hudson Bay Mining and Smelting Co. at Flin Flon Counters Low Metal Prices With Increased Efficiency

MACASSA MINES

Plans Mill Construction This Year

Macassa Mines was incorporated in 1926 by Robert Bryce and associates of Toronto to develop a gold prospect comprising six claims about 4,500 ft. along the main break at Kirkland Lake, Ontario, immediately adjoining the Kirkland Lake Gold Mines on the west.

Early in 1931 an aggressive exploration programme was financed by New York interests, which included sinking a shaft to the 2,475 ft. horizon and connecting up with a drift from the same level of the Kirkland Lake Gold Mining Co.

The last official statement showed a combined ore length of 310 ft. on the 2,475 ft. horizon assaying $11.20 over a width of 4.6 ft. Subsequent developments are reported to have shown 220 ft., averaging $20 per ton over a width of 4.5 ft. on the 2,325 ft. horizon. A level is also being developed at 2,000 ft. between the shaft and the Kirkland Lake property. On the 750 ft. level exploration has been started west of the shaft into heretofore unexplored territory.

A 150-ton mill capable of expansion to 225 tons daily is under consideration for construction this year.

Development work has not been carried sufficiently far to block out a definite tonnage of ore.

Finances have been provided as required through the sale of treasury shares in New York and sufficient funds are assured to complete the company's development and construction programme.

Common Shares—Par, $1. Issued, $4,230,000.

Price Range:	High	Low	Mar. 24
1933	.36½	20	.30½
1932	.41	.13	.....

Listed: Standard Stock & Mining, Toronto; New York Produce Exchange; Montreal Curb; Winnipeg Stock Exchange.

HUDSON BAY M. & S.

Answers Low Metal Prices With Increased Capacity and Efficiency — One of the Lowest Cost Producers on the Continent

Hudson Bay Mining & Smelting Co. incorporated in 1927 by the Whitney and Newmont interests of New York, is Manitoba's leading mining and metallurgical operation and the most northerly metallurgical operation in the British Empire. No Canadian mining undertaking better demonstrates resourcefulness in increasing efficiency and lowering costs than does that of the company. Capacity has been increased nearly 50 per cent over designed tonnages.

When plans were laid in 1927 to bring the property into production the base metal market was in a flourishing condition. By the time production had started in 1930 severe declines in base metal prices had taken place, but despite this continual decline in metal prices the company was able to show an operating profit after providing for interest on $500,000 bonds outstanding.

Its properties consist of approximately 6,000 acres on either side of the Manitoba-Saskatchewan boundary at Flin Flon, 85 miles northwest of The Pas, Manitoba, where copper-zinc-silver-gold deposit has been developed, estimated to contain 18.000,000 tons of ore averaging 1.71 per cent copper, 3.45 per cent zinc, .074 oz. gold and 1.06 oz. silver per ton.

Following an expenditure estimated at close to $25,000,000 the property was equipped for production including a 3,000 ton daily capacity concentrator, copper smelter and zinc plant capable of producing 30,000,000 pounds of blister copper, 50,000,000 pounds of refined zinc in corresponding gold and silver production. Power for the company's operations is supplied by its own subsidiary which developed a hydro-electric site on the Churchill River.

Initial production was started in the autumn of 1930 and in 1931 the plant produced 31,068,556 pounds copper, 35,056,199 pounds of zinc, 702,28 oz. silver and 713,000 oz. gold, having a sales value of $5,-401,313. After arbitrary write-off, including depreciation, the 1931 operations showed a net loss of $301,947, but each month in 1932 showed an operating profit. Final 1932 figures are not yet available but indications are that the metals recovery showed a big advance reflecting increased tonnages of ore treated.

Although earnings are at low ebb the disposition on the part of the management has been to reduce costs to meet unprecedented prices for its products, and thus keep the organization together pending improved metal prices.

Operating Costs Low

Its mining operations are known to be among the lowest cost on the continent with about two thirds of the production coming from open pit operations. With the company generating its own power and having plant facilities for producing refined zinc and blister copper it is fortified against fixed charges and is in a position as are few mining operations in the Dominion for curtailing and controlling its production costs.

The company has a funded indebtedness of $5,000,000 carrying 6 per cent interest amounting to an annual fixed charge of $300,000.

As at December 31, 1931, the company had a working capital of $1,-346,985 principally made up of refined metal sold under contract. Pending the liquidating of these stocks, loans of $900,000 were incurred to interest financing operations.

The outlook for the company naturally is allied with improved metal prices and what it has been able to accomplish in the face of the lowest metal prices in history is evidence of what may be expected once prices improve. It has demonstrated that its huge ore reserves are amenable to treatment at low cost. The company enjoys excellent management and is backed by financial interests with long and favorable records.

Common Shares—Par, No. Issued, 2,500,000.

Price Range:	High	Low	Mar. 24
1932	4.25	3.10	3.90
1932	5.30	.92	....

Earned: 1931, $0.32.

Listed: Standard Stock & Mining (unlisted), Toronto; New York Curb.

Central Patricia Gold Mines

Central Patricia Gold Mines was incorporated in 1931 by F. M. Connell and associates of Toronto as a reorganization of the Central Patricia Mines to develop a gold prospect comprising some 3,500 acres in Patricia district, 110 miles north of Savant Lake, on the Canadian National Railways.

In 1929 a three-compartment shaft was sunk to a depth of 500 ft., indicating 33,155 tons of ore valued at $454,555 in three main shoots.

Financing was arranged late in 1932 permitting of the construction of a 65-ton steam operated mill planned for operation in August this year.

Profit from the known ore is expected to pay for the production programme while special interest centres about the development of a favorable area adjacent to the proven ore.

The financing of operations is in the hands of a Toronto group which has taken up treasury shares and promises sufficient funds being provided to bring the property into production.

Common Shares—Par, $1. Issued, $912,003.

Price Range:	High	Low	Mar. 24
1933	.28	.17	.17
1932	.21	.02	...

Listed: Standard Stock & Mining Exchange, Toronto.

Halifax Ships Tobacco to England

Forty cars, or approximately 750 tons of Canadian tobacco, will go forward, via Halifax, to Great Britain this month, in one shipment.

GRANADA GOLD

Extensive Exploration Plan Being Financed by N. A. Group

Granada Gold Mines, incorporated in 1931 is a reorganization of the Granada Rouyn Mining Co., formed in 1927 by R. C. Gamble. It is pioneering the development of the gold producing possibilities of that area in Rouyn township, Quebec, south of Noranda Mines.. The property consisting of approximately 6,330 acres.

Following a development programme, currently at a depth of 1,225 ft., production operations were started in June, 1930. In March, 1931, an expansion programme was completed bringing the mill up to 100 tons capacity. From the commencement of operations to June 30, 1932, the mill treated $58,557 tons of ore and produced $499.880 in gold, an average recovery of $8.55 per ton.

Early in 1933 an addition was made to the mill increasing the capacity to about 200 tons daily. This capacity has not been sustained by ore developments, but an extensive programme is being conducted in hope of proving up ore that will permit of an increased scale of operations.

No statement of ore reserves is made.

Now that milling facilities have been increased and electric power provided it is planned to prospect its large holdings extensively, showing the same geological features

Operations in the past have paid all exploration and development as well as production charges. The new financial arrangements made with the New York interests early in 1933 are providing funds for the programme now under way.

Common Shares—Par, $1. Issued, $879,358.

Price Range:	High	Low	Mar. 24
1933	1.95	1.19	1.30
1932	1.25	.50	....

Earned: *1932, $0.02.

*From July 7, 1931 to June 30, 1932.

Listed: Montreal Curb (Unlisted); Standard Stock & Mining, Toronto; New York Produce Exchange; Winnipeg Stock Exchange.

VENTURES LTD.

One of the Most Aggressive Exploration Efforts in Canada

Ventures Ltd., was incorporated in 1928 by the Lindsley interests of Toronto and operates as a promotion, holding, investment, trading, exploration and development company. It is the key company for the sponsor's various undertakings. Through its exploration and development departments properties are investigated and if, considered as having merit, subsidiary operating companies formed. It is one of most extensive and active exploration companies in Canada.

Interest in the company at the present time centres around its holdings and investments in gold properties. Foremost among the companies controlled are Coniaurum Mines, Beattie Gold Mines, Sullivan Consolidated Gold Mines, Island Lake Gold Mines and Falconbridge Nickel Co.

The company also has a group of claims in the Great Bear Lake area which are being prospected. In addition it owns numerous copper prospects and is continually investigating properties taken under option arrangements.

Has Diversified Interests

The subsidiary interests of the company include 1,504,143 shares in the Beattie Gold Mines; controlling interests in the Opemiska Copper Mines and controlling interest in Kenora Prospectors & Miners. Minority interests of the company include 250,000 shares in Canadian Gold Operators; 1,500,007 shares in Coniaurum Mines; 307,500 shares in Dominion Explorers; 40,000 shares in Eldorado Gold Mines; 1.547,720 shares in Falconbridge Nickel Co.; unstated interest in the Malartic Gold Mines; 5 per cent interest in the Ontario Refining Co.; 229,688 shares in Pascalis Gold Mines; 48,-802 shares in Sherritt-Gordon Mines; an unstated interest in Siscoe Gold Mines; 804,060 shares in Sudbury Basin Mines, 50,000 shares in the Sullivan Con. Gold Mines; control Island Lake Gold Mines; interest in Siscoe Gold Mines and an interest in Randall Mines Corp. In addition, it has various blocks of stock in companies not at present active.

The only companies to pay a dividend in which Ventures has a major interest are the Coniaurum Mines and Falconbridge Nickel.

The working capital has been largely depleted through its activities although its holdings in various companies were valued at $2,564,344 on December 31, 1931.

While no important source of income is in the immediate offing from the company's investments, its interests are of such a diversified nature that its shareholders participate in one of Canada's most widespread exploration enterprises, and success is dependent upon some one of its various operators coming through in an important manner that would permit dividends being paid on the company's large issued capitalization.

Common Shares—Par, No. Issued, 7,468,483.

Price Range:	High	Low	Mar. 24
1933	1.28	.80	.96
1932	1.10	.16	...

Listed: Standard Stock & Mining Exchange, Toronto, (unlisted section); Montreal Curb; Vancouver Exchange; Winnipeg Exchange.

Island Lake Gold Mines

Island Lake Mines was incorporated late in 1932 by Winnipeg interests headed by H. R. Drummond-Hay to develop the pioneer find made on Gold Island at Island Lake, Manitoba, in 1931. Development work is in charge of Ventures Ltd., which has an option on controlling interest in the company.

The company has 150 claims in the area. On the Jack of Diamonds group diamond drilling for 500 ft. along the ore zone to shallow depth gave encouraging indications and shaft-sinking started early in 1932. A 50-ton mill was transported over winter roads to the property and is planned for operation by late summer.

The company has an authorized capitalization of 4,000,000 shares of no par value of which 3,386,361 were issued as at December 31, 1932, with 151,863 shares allotted.

Common Shares—Par, No. Issued, 3,886,361.

NIPISSING MINES

Interest Centres on Silver and Its Investment in Beattie Gold Mines

Nipissing Mines Co., through its subsidiary Nipissing Mining Co. operated a silver property at Cobalt, Ont., between 1904 and 1932 which had the distinction of producing more silver and paying greater dividends than any silver mining enterprise in Canada. In March, 1932, mining and milling operations were suspended owing to depletion of the profitable known ore and the low price of silver. The company's activities now are centred about exploration work, chiefly its minority interest in the Beattie Gold Mines, in Quebec.

Between 1906, when dividends were inaugurated, and April, 1931, disbursement when they were passed, $29,940,000 were disbursed to shareholders.

As at December 31, 1931, the company had current assets valued at $3,700,743 as against current liabilities of $425,472. It has been pursuing the policy of storing its silver production in recent months and the value of the bullion on hand is given as over $1,000,000. The balance of its investment is principally in government, railway and industrial bonds.

Under terms of an agreement with Ventures Ltd., Nipissing undertakes to finance the Beattie property to production. If and when all options are completed Nipissing will own 1,900,000 shares out of the 5,000,000 shares authorized. In addition, Nipissing has loaned Ventures $280,000 on approved security.

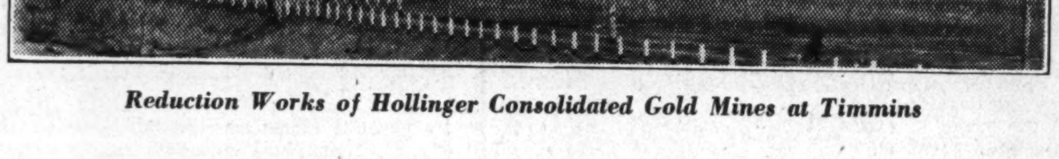
The outlook for the company centres about its interest in the Beattie Gold Mines.

Common Shares—Par, $5. Issued, $6,000,000.

Price Range:	High	Low	Mar. 24
1933	1.95	1.15	1.54
1932	1.48	.50	....

Earned: 1931, $0.07½; 1930, $0.29.

Listed: Standard Stock & Mining, Toronto; Montreal Curb; New York Curb; Winnipeg Stock Exchange.



Reduction Works of Hollinger Consolidated Gold Mines at Timmins

Bringing Canada to World's Prominence in Gold Production

CANADIANS may share with Hollinger the satisfaction it feels in having contributed, in outstanding measure, to Canada's winning world's recognition as a great gold producing country. Nor must be overlooked the leadership taken by Hollinger in active exploration for new properties — a factor contributing markedly to the continuous mining developments of this country.

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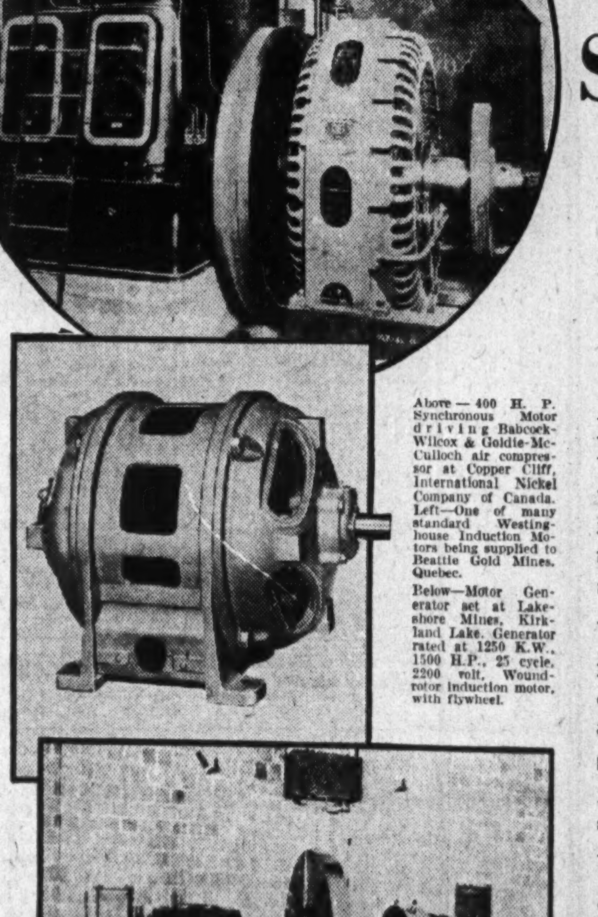
ALLEN A. McMARTIN, Montreal

HOLLINGER CONSOLIDATED GOLD MINES LIMITED

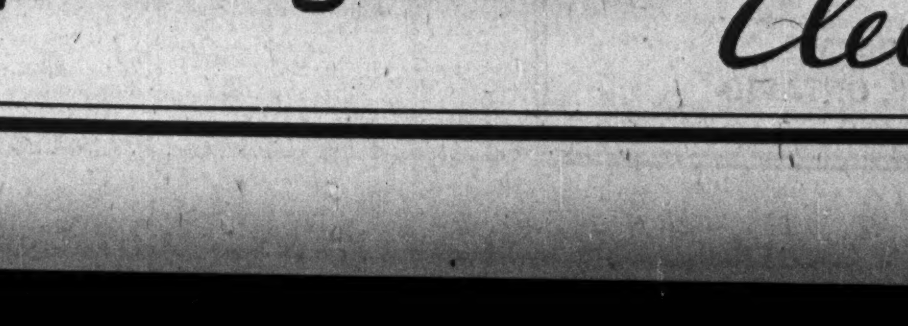
Mine and Head Office: Timmins, Ontario
General Office: 602 Royal Bank Building, Toronto

Right—Hoist at Noranda Mines Limited, driven by a Westinghouse Hoist Motor, rated at 1550 h.p., 650 volt, 68 R.P.M.D.C., for which power is furnished by one 1250 K.W., 650 volt, 750 R.P.M.D.C. Generator driven by one 1800 h.p., 3 phase, 25 cycle, 2200 volt, 750 R.P.M. Synchronous Motor with direct connected Exciter 32 K.W., 250 volt, 750 R.P.M.



Above — 400 H. P. Synchronous Motor driving Babcock-Wilcox & Goldie-McCulloch air compressor at Copper Cliff, International Nickel Company of Canada. Left—One of many standard Westinghouse Induction Motors being supplied to Beattie Gold Mines, Quebec.

Below—Motor Generator set at Lakeshore Mines, Kirkland Lake. Generator rated at 1250 K.W., 1500 H.P., 25 cycle, 2200 volt, Wound-rotor induction motor, with flywheel.



Select your electrical
MINING EQUIPMENT
with an eye to
"NET PROFITS"

In the recent buying rush for gold stocks, it was interesting to note that the big demand was for profit-producing mines. In purchasing mining equipment, it is even more important that you should invest your money with a view to Net Profits.

Westinghouse electrical equipment is economical because it is designed and built by engineers who know the value of long, reliable and efficient service. This quality construction means lower depreciation costs and fewer replacements. These savings help to swell "Net Profits."

Westinghouse provides a complete line of electrical equipment for mines both large and small.

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Westinghouse *Electric*

LAKE SHORE MINES

Company's Record Unique—Largest Gold Producer on Continent With Ore Developments That Promise Position Being Sustained

Lake Shore Mines — currently Canada's largest gold producer—emerged from a struggling prospect incorporated in 1914 to establish a record that is unique in Canadian gold mining. Incorporated by its staker, Harry Oakes, the company has never been through a financial reorganization of any kind, was brought into production at the low cost of about $350,000, paid dividends early, has never passed a dividend, has steadily expanded from a 60-ton mining operation to one of 2,500 tons daily, has never interested itself in outside properties, or developments apart from its original holdings, has been so conservative that no shrinkage has been experienced during the past three years and through it all its staker, credited with owning controlling share interest, has remained at the helm as president and managing director.

Production started in 1918, dividends the same year, with the total disbursement to shareholders approximately $23,000,000.

The company's property comprise approximately 171 acres in Teck township, Kirkland Lake, with the two known productive veins of the camp extending approximately 2,800 ft. east and west across its claims.

Massive Ore Reserves

Developments have been carried to a maximum depth of 3,950 ft., practically no ore except from development work coming from below the 3,075 ft. horizon.

Owing to a change-over in mining methods the broken ore reserves are being gradually reduced and the published statement of 258,914 tons of ore reserves valued at $17.35 per ton gives but little indication of the true ore condition.

With the recovery from mining operations averaging over $1,000,000 per month no extensive mining is being carried on below the 3,000 ft. horizon and with production to date amounting to over $55,000,000 some indication is given of the ore possibilities of the future.

The following tabulation gives a summary of production since inception of operations:

Production in Fiscal Years Ended June 30	Tons milled	Recovery per ton $	Bullion produced $
1918	14,348	$24.73	$369,680
1919	11,907	24.73	294,514
1920	18,890	25.61	483,702
1921	21,481	21.32	460,186
1922	24,323	23.95	583,664
1924*	29,438	22.97	678,242
1925	44,533	24.97	1,112,495
1926	126,676	17.70	2,235,184
1927	214,335	14.48	3,105,048
1928	237,962	15.23	3,629,318
1929	367,015	14.99	5,604,859
1930	437,543	15.03	6,576,781
1931	698,624	13.10	9,152,935
1932	864,434	14.80	12,556,759
			$47,893,367

*Eighteen months.

Production Costs Per Ton

	1932	1931	1930
	$	$	$
Develop. & explor.	1.20	1.40	1.78
Mining	2.33	2.45	2.71
Milling	1.18	.99	.99
Taxes & marketing	1.27	.72	.58
Gen. & admin. exp.	.45	.25	.37
Total oper. costs	6.43	5.81	6.43
Deprec. & write-offs	.88	.87	1.09
Total costs per ton	7.31	6.68	7.52

While Mr. Oakes has said that it is not his intention to increase the mill capacity above the present 2,500 ton daily rate or increase the dividend above the present rate of disbursement or $3 per share annually, further refinements have been introduced into the milling practice that will reduce costs. A 1,000 ton unit is under construction for treating the tailings deposited in Kirkland Lake.

With a view to protecting the possible southerly extension of the main vein system at depth, Harry Oakes and his associates have acquired controlling interest in the adjoining Kirkland Hudson Bay Gold Mines and Minaker Kirkland Gold Mines. Wright-Hargreaves Mines, immediately to the east of Lake Shore, is controlled by interests friendly to Harry Oakes, and a working consolidation of these properties is mooted.

The outlook for the company in immediately succeeding years is for sustained earnings that will at least permit of the maintenance of dividends.

Common Shares—Par, $1. Issued, $2,000,000.

Price Range:	High	Low	Mar. 24
1933	40.00	30.75	32.50
1932	35.10	24.90	.....

Earned: 1932, $3.90; 1931, $2.25; 1930, $1.56. (Yr. ended June 30).
Dividend Rate: $2+1; yield, 9.23%.
Listed: Montreal, New York and Boston Curb Markets; Standard Stock & Mining Exchange, Toronto; Winnipeg Exchange.

ELDORADO MINES

Radium from Pioneer Exploitation of Great Bear Lake Near Reality

Eldorado Gold Mines, incorporated in 1926, is the outgrowth of a prospecting syndicate headed by LaBine Bros., of Toronto. Renewed interest in the company was manifested when Gilbert LaBine made the pioneer find of radium ore at Great Bear Lake, Northwest Territories, early in 1930. This find precipitated a rush into the area where the company has protected its interests by staking approximately 5,000 acres adjacent to Echo Bay.

Since that time exploration and development work has been aggressively prosecuted and development work is the most advanced of any in the district. An initial shipment of ten tons of high grade silver ore was made in the fall of 1932, while a test shipment of 17 tons of high grade pitchblende made in the midsummer of 1931 was followed by 36 tons in 1932.

In September, 1932, a Diesel engine driven mining plant was installed to speed the driving of a tunnel to explore the surface showings at depth. The downward extension of the No. 2 vein encountered on the surface showed a width of 21 ft. for a cut and drifting is now under way preparatory to further production during the 1933 shipping season.

Late in 1932 the company completed the equipping of a radium refinery at Port Hope, Ontario, where pitchblende from the company's property is in process with initial production planned early this spring.

The pioneer nature of the company's effort lends great interest to its operations. There is little however, on which to base possible earning estimates until a production stride is set

Transportation difficulties offer no problem during the open season by water route. During the period when navigation is closed an established airplane service is available. No particular problem confronts the operation by reason of remoteness, except to increase costs.

The company has maintained a strong cash position adequate for the magnitude of its operations and on December 31, 1932, had a working capital of $196,496.

It is expected that the refined radium salt will be initially available for market this spring, launching a new industry in Canada that offers a real challenge to the supremacy held in the past by the Belgium radium trust.

Common Shares—Par, $1. Issued, $2,868,382.

Price Range:	High	Low	Mar. 24
1933	1.61	1.16	1.37
1932	1.60	.76	....

Listed: Standard Stock & Mining Exchange, Curb, Toronto.

LAKELAND GOLD

Aggressive Programme Tests Interesting Outside Claims

One of the more aggressive exploration programmes being waged in the Kirkland Lake area outside of the main camp is that undertaken by the Lakeland Gold Mines, incorporated in 1931 by Hamilton, Ontario interests headed by F. A. Pollard as president.

The company's property was formerly known as the Murray Mogridge mine consisting of about 800 acres at Wolf Lake in Maisonville township about two miles west of Burkes station on the T. & N. O. Railway. Here a modern camp has been built and a two compartment shaft sunk to a depth of 450 ft., with an immediate objective of 800 ft. On the 450 ft. levels some 200 ft. of ore, averaging $10 per ton in gold over a width of four feet, is reported. Raises have been put up in ore on the No. 9 vein north and south of the 451 crosscut. Both faces continue in uniformly good grade of ore according to official reports.

ASHLEY GOLD

Initial Production Revives Interest in Matachewan District

Ashley Gold Mining Corp., incorporated in 1931 as a subsidiary of the Mining Corp. of Canada is pioneering the gold producing possibilities of the Matachewan area, Ontario.

The success met with in the development work prompted the company to construct a 150-ton mill which started production in August 1932.

The company's property consists of approximately 950 acres in one group staked in 1930 by prospectors working for the Mining Corp. of Canada. The holdings are 5,000 ft. along the strike to the vein astride the boundary of Bannockburn and Argyle townships in Matachewan area, about 45 miles from Elk Lake on the T. & N. O. Railway.

Early in 1931 an incline shaft was started and sunk to the 500 ft. horizon which confirms the surface exploration and diamond drill results. Lateral work on levels opened up at intervals of 125 ft. opened up sufficient ore to warrant the construction of a mill, although no estimate of potential ore has been made public. Drifting on the various horizons shows considerably more than 50 per cent of ore of excellent milling grade with the 500 ft. horizon looking the best with 82 per cent of the drifting in ore.

A winze was sunk from the 500 to the 750 ft. level late in 1932 and two more levels are to be opened up.

Production to the end of 1932 was 6,805 tons of ore from which was recovered $61,290 in gold bullion or an average recovery of $9 per ton. Mill absorption reduced initial recovery. Mill capacity was held to about 75 tons in 1932 but early in 1933 capacity was increased to 115 tons daily with somewhat lower grade mill feed.

The Mining Corp of Canada has about 70 per cent interest.

Common Shares—Par, $1. Issued, $3,000,000.

Price Range:	High	Low	Mar. 24
1933	1.36	.74	1.30
1932	.75	.65	....

Listed: Standard Mining, Toronto; Montreal Curb (Unlisted); Winnipeg Exchange.

San Antonio Mines

San Antonio Gold Mines was incorporated in July, 1931, as a reorganization of the San Antonio Mines to finance bringing a gold property consisting of 930 acres in the Rice Lake area, Manitoba, into production. Hollinger Consolidated Gold Mines acquired N. A. Timmins' interest following refinancing.

Early in 1932, a 150-ton daily capacity mill was completed on the property and initial production started.

The predecessor company carried out an extensive development programme to a depth of 975 ft. where 61,000 tons of ore averaging $13.25 per ton over a width of 5 ft. was indicated.

No statement of ore developments has been made since the property was placed in production, but exploration work is understood to have added to the known ore reserves. Production to the end of 1932 was $286,442 from 28,393 tons of ore milled, an average recovery of $10.08 per ton.

Common Shares—Par, $1. Issued, $2,225,000.

Price Range:	High	Low	Mar. 24
1933	1.21	.75	.87
1932	.92	.25	...

Listed: Standard Stock & Mining, Toronto; Montreal Curb (Unlisted).

Wiltsey-Coghlan Mines To Do Deep Drilling

Wiltsey-Coghlan Mines, formed in 1926, has been adding to its holdings in the Rouyn area adjoining the Noranda Mines. With the increasing success of Noranda additional interest is being added to the company's property and expenses have been held to a minimum pending provision of treasury funds for conducting a conclusive deep diamond drilling campaign.

The company has no debts and arrangements have been made that are expected to provide the necessary funds for its proposed programme.

God's Lake Gold Mines

God's Lake Gold Mine was incorporated late in 1929 by Robert Jowsey, to permit the development of a pioneer find made and staked by him on Jowsey Island, adjoining Elk Island in the God's Lake area of Northern Manitoba, last summer.

The company, through a consolidation of interests and its own property staked in the area, controls numerous groups totalling 74 claims approximately nine miles along a widely mineralized zone. Systematic channel sampling last season was of such an encouraging nature that last month finances were arranged for an aggressive development programme which includes 5,000 ft. of diamond drilling and the sinking of two preliminary shafts two miles apart to prove up the spectacular surface discoveries. All the vendors' shares have been pooled and the recent offering of 500,000 treasury shares at 30 cents each is to finance further development. The company has no debts or liabilities except for current expenses, and nothing which has been paid accrues for promotion services, other than the vendors' shares. E. L. Brown, well known managing engineer, is in charge of operations under the direction of the president, R. J. Jowsey, which assures a speedy and thorough exploration programme being waged.

The company is capitalized at 3,000,000 no par value shares.

God's Lake Gold Mines has acquired through its president, R. J. Jowsey, 10 claims, known as the Kipp group, lying on the extreme easterly end of the God's Lake Gold Mines "Akers Group."

God's Lake Gold Mines now owns 84 claims, approximately 4,500 acres in the area.

Canada's Mineral Production for 1932 Valued at $182,320,150

		Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon & N.W.T.
Metallics:										
Arsenic (As_2O_3)	$				99,008					
Bismuth	lb.				16,798				57	
	$				6,358				51	
Cadmium	$								26,824	
Chromite	tons			54						
	$			750						
Cobalt	lb.				490,631					
	$				589,062					
Copper	lb.			67,336,692	77,055,413	52,706,294			50,580,104	
	$			4,296,216	4,407,928	3,362,767			3,227,111	
Gold	fine oz.	964		401,105	2,287,280	121,982	12	111	198,520	40,607
	$	19,928		8,291,576	47,282,272	2,521,592	248	2,294	4,103,772	839,421
Lead	lb.				86,477				252,007,574	3,855,909
	$				1,828				5,326,432	81,498
Nickel	lb.				30,327,968					
	$				7,179,862					
Palladium, Rhodium, Iridium, etc.	fine oz.				37,497					
	$				897,587					
Platinum	fine oz.				27,151				55	
	$				1,091,674				2,211	
Silver	fine oz.	47		628,902	6,341,058	1,036,479	16	9	7,295,723	3,054,164
	$	15		199,183	2,008,315	328,271	5	3	2,310,674	967,303
Zinc	lb.					41,786,600			130,546,958	
	$					1,004,016			3,140,438	
Total	$	19,943		12,787,725	63,563,894	7,216,646	253	2,297	18,137,513	1,888,222
Fuels:										
Coal	tons	4,084,531	211,055			3,300	875,432	4,867,270	1,681,015	808
	$	15,123,094	789,617			9,259	1,211,539	13,517,860	6,390,412	3,491
Natural gas	M cu. ft.		645,010		7,244,624	600		15,985,744		
	$		317,603		4,544,000	180		3,820,722		
Peat	tons			762	2,486					
	$			2,286	5,307					
Petroleum, crude	brls		6,404		130,343			912,506		
	$		14,323		247,469			2,739,095		
Total	$	15,123,094	1,121,543	2,286	4,796,775	9,439	1,211,539	20,077,677	6,390,412	3,491
Non-Metallics:										
Asbestos	tons			122,977						
	$			3,039,721						
Bituminous sands	tons							343		
	$							1,372		
Diatomite	tons	1,438			11				47	
	$	28,760			309				440	
Feldspar	tons			3,264	3,657					
	$			38,187	42,920					
Fluorspar	tons				32					
	$				464					
Graphite	tons				346					
	$				18,483					
Grindstones	tons	12	244						60	
	$	438	11,362						3,000	
Gypsum	tons	841,508	38,019		35,655	12,719			10,728	
	$	398,861	297,520		186,175	113,739			84,084	
Iron oxides (ochre)	tons			5,017					223	
	$			44,161					2,000	
Magnesite	tons			8,892						
	$			262,860						
Mica	tons			41	269					
	$			4,076	2,752					
Mineral water	gal.			17,858	61,208					
	$			4,698	2,473					
Phosphate	tons			1,316						
	$			12,333						
Quartz	tons			17,022	67,625	87,253				
	$			66,991	93,724	102,493				
Salt	tons	31,897			231,138	508				
	$	150,708			1,789,751	7,092				
Silica brick	M				93					
	$				4,303					
Soapstone	$			46,751						
Sodium carbonate	tons								520	
	$								3,606	
Sodium sulphate	$						271,736			
Sulphur	tons			17,954	3,332				31,886	
	$			133,833	33,320				302,856	
Talc	tons				12,064				39	
	$				111,585				702	
Volcanic dust	tons						180			
	$						3,600			
Total	$	578,762	308,882	3,653,616	2,286,259	223,324	275,336	1,372	396,688	
Clay Products:										
Brick—Soft mud process—Face	M	160		300	4,561					
	$	2,008		3,000	72,999					
Common	M	540	1,269	100	8,520	1,667	660	697	2,595	
	$	6,780	18,180	800	144,689	21,526	6,929	8,345	41,607	
Stiff mud process (wire cut) Face	M	347	487	13,937	17,595	380	115	267	156	
	$	6,754	13,628	313,559	369,777	8,492	3,127	6,386	3,663	
Common	M	2,229	520	28,495	8,193	439	220	989	315	
	$	31,206	7,949	447,738	130,771	7,131	2,256	11,648	5,208	
Dry press—Face	M				4,667		6	310	220	
	$				97,897		138	3,876	8,073	
Common	M				1,522			2,726		
	$				24,070			22,692		
Fancy or ornamental brick	M				36					
	$				1,790					
Sewer brick	M				896				5	
	$				15,734				85	
Paving brick	M								6	
	$								155	
Firebrick	M						309	11	1,260	
	$						15,200	547	56,010	
Fireclay	tons	45	50				415		480	
	$	280	1,956				3,111		6,479	
Fireclay blocks and shapes	$	277	836				66,688		7,408	
Structural tile—Hollow blocks	tons	3,162	134	19,823	18,576	1,167	1,822	2,106	1,016	
	$	30,208	1,120	194,770	141,137	11,965	11,781	17,055	10,336	
Roofing tile	No.				48,939					
	$				3,900					
Floor tile (quarries)	Sq. ft.				93,316					
	$				21,502					
Drain tile	M	71	3	265	5,879	103		27	636	
	$	2,974	120	9,409	140,073	5,309		1,322	21,038	
Sewer pipe, copings, flue linings, etc.	$	92,070		83,566	466,477			112,810	58,407	
Pottery, glazed or unglazed	$		24,262		67,866		4	144,908	7,726	
Bentonite	tons								7	
	$								176	
Other clay products	$				16,600		505		3,061	
Total	$	172,557	68,151	1,052,842	1,715,282	54,423	109,739	329,584	229,432	
Structural Materials:										
Cement	brls.			2,210,584	1,599,342	242,112		193,571	253,112	
	$			3,155,702	2,288,976	549,594		399,922	536,528	
Lime	tons	6,533	11,672	93,813	166,582	18,235		16,156	17,247	
	$	35,534	110,584	587,901	1,272,201	172,110		54,577	160,741	
Sand and gravel	tons	331,911	592,373	3,275,798	5,610,985	390,573	208,620	715,734	1,478,712	
	$	207,105	450,801	827,753	1,550,573	171,143	28,300	295,313	488,409	
Slate	tons									
	$									
Stone	tons	40,703	38,820	2,198,665	2,122,392	78,423		1,428	323,479	
	$	97,887	183,918	2,301,421	1,765,619	299,282		2,985	516,274	
Total	$	340,526	745,303	6,872,777	6,877,368	1,192,129	28,300	752,797	1,701,952	
Grand Total		16,234,882	2,243,879	24,369,246	79,239,578	8,695,961	1,625,167	21,163,727	26,855,997	1,891,713

Kenty Gold Mines

Kenty Gold Mines was incorporated in September, 1932, to develop the pioneer find in the Swayze area of Ontario made by prospectors working for the Brett-Trethewey Mines, Northern Canada Mining Corp., and Northland Prospectors, Ltd.

The property consists of 16 claims at Brett Lake, Swayze township, Ontario, reached by a road from Sultan, on the C. P. R., 21 miles distance. Surface work disclosed a shear zone some 5,000 ft. in length in which occurs a series of quartz veins up to 10 ft. in width. The aggregate length of some 25 veins encountered is about 7,000 ft. In the fall of 1932 a Diesel engine driven mining plant was installed and a programme started toward sinking two shafts 1,800 ft. apart to an immediate objective of 500 ft. to confirm the rich ore occurrence found on the surface.

Upon formation of the present company the vendors placed $100,000 in the treasury and took 50 per cent of the authorized capitalization. Of this the Brett-Trethewey Mines received 440,000 shares, Northern Canada Mining Corp. 602,000, Northland Prospectors, 338,000 and Kenty Bros. 120,000 shares. In order to further finance operations Kirkland Lake Gold Mining Co. purchased 200,000 shares and optioned 1,100,000 shares, making an offering of 100,000 at $1 per share which was over subscribed.

This pioneer find is the farthest advanced of any in the area and is regarded as one of the most promising new gold discoveries in the province.

Common Shares—Par, $1. Issued, $1,700,000.

McWatters Gold Mines

McWatters Gold Mines was incorporated in November, 1932, by Prospectors Airways Co. to develop a property it acquired by option from Dave McWatters, the staker. Considerable interest is attached to the development of the property as it was restaked last year and lies but five to six miles southeast of Noranda Mines. Spectacular surface showings resulted in the aggressive development of the property including shaft sinking. Funds for development have been largely provided by the Huronian Mining & Finance Co., and Ventures Ltd.

Initial results have been of an encouraging nature and it is regarded as one of the most favorable prospects in that section of Quebec considering the amount of work done.

Common Shares—Par, No. Issued, 1,000,000.

Price Range:	High	Low	Mar. 24
1933	.75	.46	.55
1932	.50	.40	...

Listed: Standard Stock & Mining, Toronto; Winnipeg Stock Exchange.

Swayze-Huyke Gold Synd.

Following up the scent of a find made years ago, that might have precipitated a rush into the area had it occurred during the present period of gold consciousness, the Swayze-Huyke Gold Synd. is busy financing the development of its holdings. The property consists of six claims situated almost five miles due south of the Kenty Gold Mines, and is accessible from the new road built by the government, which is less than two miles away. Already prominent mining groups have staked adjoining ground.

F. G. Huyke, E.M., is guiding the exploration activities of the syndicate, while D. J. Walker is its trustee.

Beattie Gold Mines

Beattie Gold Mines was incorporated in December, 1931, by Ventures, Ltd., to develop and bring into production a potentially large low grade gold deposit comprising 12 claims in Duparquet township, Quebec, 20 miles northwest of Noranda.

Diamond drilling indicated 5,390,000 tons of ore averaging $3.07 per ton in gold. Shaft sinking was started in 1932 preparatory to opening up the property for mining. Coincident with this lateral development an initial 600 ton daily capacity mill unit was constructed operated by electric power from the Quebec Power Co. Operation is planned to start in April, 1933. Initially, concentrates will be produced and exported for smelting owing to the arsenic content of the ore.

Finances for the development and equipping of the property were provided by the Nipissing Mining Co. which will have 38 per cent interest when all options are exercised. The balance of the 5,000,000 shares authorized is principally held by Ventures Ltd.

Interest centres about the property on account of its being the lowest grade mine in Canada to be equipped for production.

Common Shares—Par. No. Issued 3,070,305.

Price Range	High	Low	Feb. 28
1933	1.00	.98	.98

Traded: Standard Stock & Mining, Toronto.

INTERNATIONAL NICKEL

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LIMITED
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Capital Stock
Authorized and Issued . . . 600,000 shares

Prospectors Airways, Limited, is an organization which is conducting a nation-wide search for mines in Canada, and the activities of which have already been attended with marked success. The policy of the company is to prospect and explore for mineral deposits, and to then dispose of such discoveries to active mining organizations for cash returns and also for a stock interest in the operating company, or companies.

Properties and interests already acquired in this way include:
880,000 shares of McWatters Gold Mines, Limited
410,000 shares of Pascalis Gold Mines, Limited
160,000 shares of Opemiska Copper Mines, Limited
Owns 600 acres in different groups in Pascalis, Quebec
Owns an interest in 36 mining claims at Great Bear Lake
Owns various other claims and interests.

The McWatters Mine

During 1932, Prospectors Airways secured the McWatters property, situated six miles southeast of Noranda. Surface work disclosed high-grade gold ore. A feature was the discovery of one ore shoot in which a length of 50 feet carries over $160 in gold per ton across a width of over nine feet. A company was incorporated under the name of McWatters Gold Mines, Limited. Diamond drilling has been conducted by the new company and the downward continuity of the fracture as well as high gold values has been ascertained. A program of sinking and underground development is to proceed forthwith.

Prospectors Airways received 880,000 shares of McWatters in its own right. Shareholders of Prospectors Airways were given rights to purchase 100,000 of these shares at 40 cents each, together with rights to purchase 400,000 treasury shares at 40 cents each—half of the rights to be exercised immediately and half by May 1, 1933.

Equipment:

Prospectors Airways is well equipped for exploration in all parts of Canada. In addition to having prospecting outfits for five parties, the company has two airplanes: a Moth and a Fairchild. This enables the company to act quickly in making investigations of discoveries in the far-flung parts of the mining territory. These facilities are a factor of incalculable value in many instances where time is a vital factor.

Cash:

The cash position of the company is good. After the sale of 100,000 shares of McWatters under special rights, the Prospectors Airways will have approximately $50,000 in its treasury for 1933 activities.

Directors and Officers
ROBERT COCKERAM, President - - Toronto, Ont.
PETER GRAHAM - - - New Liskeard, Ont.
LLOYD ROCHESTER - - - - - Ottawa, Ont.
N. F. PARKINSON - - - - - Toronto, Ont.
J. INGRAM - - - - - - - Toronto, Ont.

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BALMER NEILLY, C. P. R. AND NICKEL ARRIVE TOGETHER

New President of C.I.M.M. Shares Golden Anniversary Felicitations

A great year for Canada was 1883, and one of historical significance for the mining industry, for it was in that year—50 years ago—that the Canadian Pacific Railway in gouging out its right-of-way through the Sudbury area gave birth to the great mining industry that we now know as the International Nickel Co. In the same year in Bradford, Ont., near the shores of Lake Simcoe, yet another event transpired that was to make its contribution to Canadian mining, Balmer Neilly saw the light of day.

This year at the thirty-fourth annual convention of the Canadian Institute of Mining and Metallurgy the golden anniversary of this event will be solemnized. It confers its highest honor and celebrates his birth by installing him as its president.

"How come" that this village lad should choose a mining career? Can it be that as he sat on the banks of the Holland River pulling out bass and muskelunge that he envissioned the great mining developments that were to build thriving cities in what was then the far north, or was it the love of the great out-of-doors that instilled in him the desire to read the secrets of the rocks. Maybe the silver and gold in his father's jewellery store impelled him to go from whence it came. In those days that meant either British Columbia or Nova Scotia.

No Silver Spoon

The School of Practical Science, as it was then called, had a mining branch but this took money and young Neilly had no money. School teaching, even if it was only $340 a year, and hard work in the fields in summer provided the ticket to the course in mining. But in those days you had to take a post graduate course at the University of Toronto to get your B.A.Sc. This he secured in 1908. Four years later he received his M.E.

By this time the Cobalt silver camp was out of swaddling clothes and was demanding young mining engineers. A few months practical experience in Colorado mining camps fortified young Neilly for more responsibility at Cobalt.

Here it can be told that after serving as assayer, surveyor paymaster and what have you, at a "down at the heel" silver mine he got fed up. The genial manager of the property was no other than Bob Bryce, and he sensed his efficient man of all work had better offers to go surveying, with a real salary attached. In a way fatherly he placed his arm around him and said: "Never mind Balmer I don't like it any better here than you do," you stick by me and I'll get you a real job. That sealed his life work and the opportunity came.

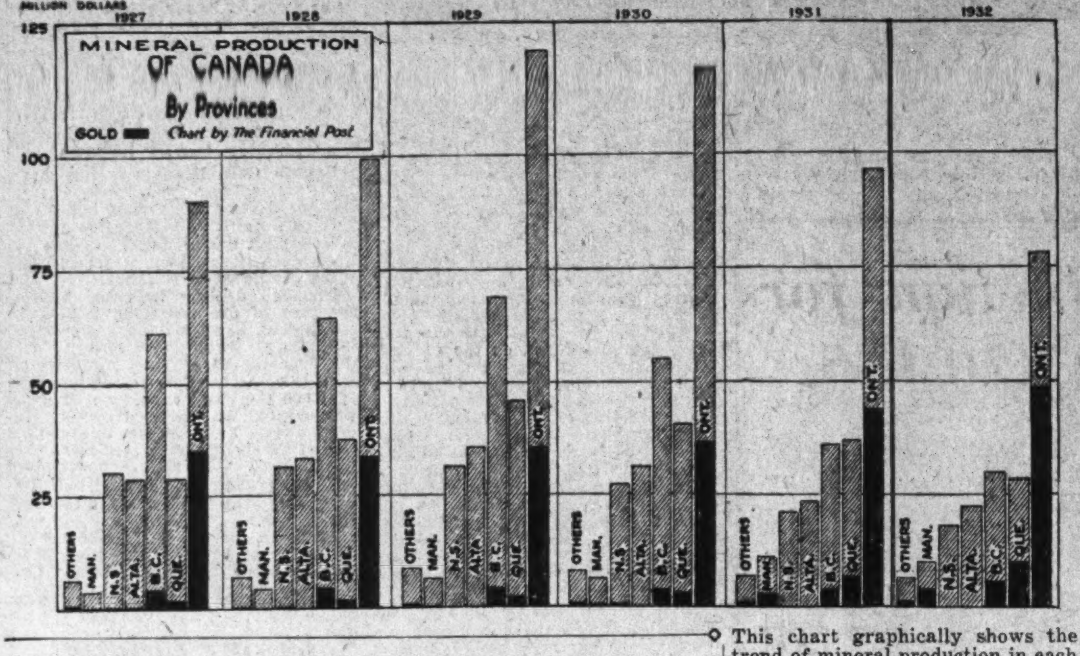
In a few weeks we see him as manager of the Penn Canadian Mines, a small but profitable producer and dividend payer. Here again it was a struggle as the property was taken over from the receiver. How he eked out enough silver for the payroll and struggled to make this a paying mine is quite another story. Here his half Irish and half Scottish ancestry with its bulldog tenacity and thrift triumphed in the end.

Started Mining Association

Mining by this time—1920—had become an outstanding industry in Ontario. The Canadian Institute of Mining and Metallurgy was functioning to be sure but the mines themselves had problems that could best be served by a separate association of the mines. Through his organization efforts the Ontario Mining Association came into being. Let it here be said that in this association it is the mines not the miners who are the members. The new organization was a success as had been everything that he had undertaken. Four years later the McIntyre-Porcupine Mine was stretching out as one of the really big mines of the north country. It needed a generalissimo for its head office. Who was equipped better than Balmer Neilly?

Here you will find him quietly and efficiently dispatching the smooth running head office affairs. What is the secret of his steady climb in the ladder of success? He is prone to shun all publicity and seeks no credit himself for his achievements, but never denies that at least he is half Scottish. Doubtless the Irish half accounts for the keen sense of humor and his ready defence of what he believes is right, but all will agree that his thorough methodical ways and his kind soft-spoken, carefully measured expressions have won him a place in the hearts of all who know him.

Six Years Growth of Canadian Mining, By Provinces



This chart graphically shows the trend of mineral production in each of the leading mineral-producing provinces, and the proportion of the gold output by each.

CONSOLIDATED SMELTERS

Great Producer Hit by Low Levels of Base Metal Prices — Continued Expansion in Heavy Chemical Division

Continued weakness in world metal markets further restricted activities of Consolidated Mining and Smelting Co. of Canada last year and production of lead, zinc, copper and silver was all on a lower basis than in 1931. The company is one of the world's largest base metal producers and its operations have been affected by unsatisfactory prices. Output of gold last year, however, touched the highest figure attained since 1926.

An indication of the situation prevailing in operations is revealed in the following table of production for the past two years:

	1932	1931
Lead (tons)	126,619	138,843
Zinc (tons)	65,284	101,124
Copper (tons)	383	607
Gold (oz.)	33,346	24,968
Silver (oz.)	5,522,366	6,572,119

Has Wide Mining Scope

The true significance of Smelters, which constitutes one of the leading metallurgical and mining enterprises in the Dominion, lies in its wide field of operations. The company represents a cross-section of mining endeavor throughout Canada: though its operations are concentrated at the vast plant at Tadanac, B.C., it has over the last few years, carried on a ceaseless search for mining prospects throughout all parts of the Dominion. There is hardly a province where the company's survey parties have not made investigations and staked claims. Though a second Sullivan mine may not be discovered there is always the possibility that the company may strike pay ore in some mining enterprise elsewhere.

The Sullivan mine, which is the backbone of the Smelters' property, ranks among the greatest single lead-zinc producers in the world. In 1931 it alone produced 9 per cent of the whole world supply of lead and a similar proportion of the world's demand for zinc. It is an interesting fact that the company has refrained from publishing any estimates of its ore reserve, but the mine is known to be well fortified with ore.

Plants at Tadanac

Principal plants are located at Tadanac where ore and concentrates from the company's mines and from customs shippers are treated and refined. Here is located a concentrator, a lead smelter with a capacity of 1,500 tons, a precious metal refinery, a zinc refinery, fertilizer plant, fuming plant and sulphuric acid plant, as well as other units. At Kimberley, there is a concentrator with a daily capacity of 6,000 tons for handling lead and zinc. This unit treats ore from the Sullivan mine and produces lead and zinc concentrates containing silver and cadmium, which are shipped to the Tadanac plant for reduction and refining.

Recovers Lead From Fumes

Some of these units indicate the progressive nature of the company's operations. The fuming plant, placed in operation during 1930, recovers about 125 tons of lead-zinc daily, formerly lost. About 23 per cent more zinc and 4 per cent more lead is recovered from the same ore than was formerly possible, while furnace speed has been stepped up substantially. Through introduction of this process the ore reserves of the Sullivan mine have been proportionately increased, due to the greater recovery made possible.

In addition to its own mines and properties, Smelters controls several mining subsidiaries and has an interest in other organizations such as International Nickel Co. of Canada, Ontario Refining Co., Sherritt-Gordon Mines, and others. Through the Solar Development Co. Smelters has carried on prospecting operations in South West Africa as well as in Canada and the United States.

Widens Chemical Activity

Noteworthy in Smelters activities in the past few years has been the widening of its chemical operations. These have been centred, at a cost of around $9,000,000, in a fertilizer plant whose operation has placed the company in the forefront of this industry in Canada. It was late in 1930 that the initial unit of a chemical plant was placed in production. Output has been stepped up and a large volume of fertilizer is now sold throughout the Prairie Provinces. In addition this unit produces a wide range of chemicals such as ammonium sulphate, triple super-phosphate, mono-ammonium-phosphate and similar chemicals in this group. Export business has developed along satisfactory lines in addition to the domestic market.

Earnings Are Reduced

Earnings have been reduced in the last few years with a consequent contraction in dividends. From 1927 to 1930 inclusive, payments of 10 per cent plus a bonus of 40 per cent were paid. In 1931 this was reduced to a dividend of 10 per cent plus a 10 per cent stock bonus and in 1932 no disbursement was made. No cash payment has been declared for 1933 but a 10 per cent stock dividend was paid on March 1. Payment of these substantial stock dividends has tended to dilute the shareholders' equity to some extent.

In order to permit the payment of the last stock dividend, shareholders authorized an increase in the capital stock from $15,000,000 to $20,000,000 and there are now 650,791 shares of $25 par value outstanding in which the Canadian Pacific Railway owns a controlling interest.

Common Shares—Par, 25. Issued, $14,-087,000.

Price Range:	High	Low	Mar. 24
1933	72.62	54.00	67.00
1932	102.00	25.00	.....

Earned: 1931, nil; 1930, $4.43
Dividend Rate: 10% stock div. Mar. 1, 1933.
Listed: Montreal Stock Exchange; Toronto Stock Exchange; Vancouver Stock Exchange; Standard Stock & Mining (unlisted), Toronto.

NORDON REPORTS OPERATING LOSS

Well in Crockett County Strikes Water — Shut-off Not Yet Effective

Annual report of Nordon Corp. for the year ended December 31, 1932, shows an income of $43,943 and operating expenses of $58,491. This compares with an income of $51,985 and operating expenses of $61,330 paid in cash and $57,500 paid in stock the previous year.

The working capital declined from $24,662, showed at the end of 1931 to $23,877 at the end aof 1932.

Running expenses are being kept in line with income according to Glen M. Ruby, president of the company. The well in Crockett county, Texas, being drilled on leases in which the company is interested, encountered sulphur water and salt at a depth of 8,041 ft. A second attempt is being made to shut this off and it is expected that within 60 days there will be more definite information. On the Twin River structure in Alberta, a second well is being drilled, following the first proving to be off structure. This well is expected to reach its objective within 60 days.

The annual meeting of the company will be held in Los Angeles on April 11.

CENT. MANITOBA

Tide Turns Toward More Profitable Operations

Central Manitoba Mines was incorporated in 1926 to develop a gold prospect consisting of approximately 1,500 acres located 125 miles northeast of Winnipeg in Manitoba in what is known as the Central Manitoba area.

The company was originally controlled by an English group connected with Anglo-Canadian Exploration, which owns a large block of the company's shares. John Taylor & Sons of London, England, took over the management of the company in 1927 and erected a 150-ton mill which has been in continuous operation producing approximately $2,500,000 in gold bullion to date. From commencement of production to April 30, 1931, an operating loss was incurred each year owing to there being insufficient ore of a commercial grade but in the fiscal year ended April 30, 1932, a profit of $8,108 was made.

An intensive development programme was undertaken last year and some success was met with in finding new ore which together with exchange compensation is expected to reflect in profitable operations for the 1933 fiscal year.

Original operations were confined principally to the Kitchener claim which was developed to a depth of 520 ft. In 1931 the Tenne Six claims were explored with encouraging results. The ore reserves as at April 30, 1932 amounted to 31,800 tons valued at $8.30 per ton.

Production Years Ended April 30

Year	Tons Milled	Recovery per ton	Bullion Recovered
1928	14,171	$5.81	$82,384
1929	52,659	10.18	509,646
1930	53,436	7.88	421,276
1931	55,051	7.44	408,903
1932	46,069	9.88	455,299
			$1,877,508

Production Costs Per Ton

	1932 $	1931 $	1929 $
Develop. & explor. ..	5.15	4.33	2.63
Mining			3.75
Milling	2.37	2.58	2.50
Tax. & market.	...	.13	.25
Gen. & adminis. exp.	1.02	.48	.84
Total oper. costs	8.68	7.52	9.97
Depr. & write-offs ..	.97	.74	.69
Total costs per ton ..	9.65	8.26	10.66

Common Shares—Par, $1. Issued, $4,586,372.

Price Range:	High	Low	Mar. 24
1933	.15	.06	.09
1932	.09¾	.04	...

Listed: Standard Stock & Mining, Toronto; Montreal Curb.

CARIBOO GOLD

Pioneering in Proving Merit of Long Neglected District

The Cariboo Gold Quartz Mining Co. was incorporated in 1927 by F. M. Wells and has been pioneering in testing the lode mine making possibilities of quartz veins found on the surface at Cow Mountain, believed to be the source of the placer deposits worked in the area many years ago.

There was a great difference of opinion among engineers as to the merits of the district for profitable lode mining, but irrespective of opinion and opposition funds were raised, which permitted development being prosecuted and the construction of a 100 ton mill which started into operation in January.

The company's property consists of some 45 claims on Lowhee Creek, about three miles east of Barkerville, B.C. It is reached by a motor road from Quesnel on the P. G. E. Railway, 60 miles distant. Development was conducted by a tunnel driven into Cow Mountain where a number of veins known locally as "B" viens were encountered that were not exposed on the surface. It is from these "B" veins that it is hoped to obtain ore for immediate milling operations, although the ultimate plan of development is to project the tunnel to encounter at depth the quartz veins exposed on the surface.

Funds for the development of the property have been provided by O. H. Solibacke, of Seattle, Washington, through the sale of treasury shares. The company has a low capitalization and according to last reports, less than half of the $2,-000,000 in $1 par value shares are issued. An unique feature of the method of financing is that the property was brought into production with 12¾ per cent of the authorized capitalization going to the property; 6¼ per cent going for promotion, while approximately 31 per cent was sold to the public to finance operations, leaving 50 per cent of the treasury shares available as required. All treasury shares sold netted the company over 80 per cent of the sale price.

Sufficient time has not yet elapsed to give an indication as to what the recovery and profit might be, nor has the development work progressed to the point where the ore reserves can be appraised.

The results obtained in the development of the "B" vein or cross vein appear to be much more important than originally supposed from surface showings, while the gold values follow the sulphides which are proved to be free milling.

TECK-HUGHES

Production and Exchange Cover Dividend Requirements

Teck-Hughes Gold Mines, incorporated in 1923, by a group connected with the old Buffalo Mine at Cobalt, has developed into one of Canada's greatest gold producers after battling through and overcoming difficulties in its early existence that threatened the company with bankruptcy.

Production inaugurated in 1917 has steadily expanded and dividends inaugurated in 1926 showed disbursements at the end of 1932 amounting to $15,789,575.

Production Years Ended Aug. 31

Year	Tons Milled	Production	Recov. per ton
1917	6,291	$48,440	$7.70
1918	15,879	124,967	7.87
1919	16,907	149,875	10.27
1920	*	......	*
1921	32,634	304,792	9.34
1922	43,300	481,144	11.11
1923	34,690	981,525	28.30
1924	42,381	1,111,674	26.23
1925	48,718	924,581	18.98
1926	79,564	1,461,367	18.36
1927	114,765	2,105,545	18.35
1928	276,652	4,504,707	16.28
1929	331,150	4,889,127	14.74
1930	340,675	5,415,970	15.90
1931	396,200	5,978,120	15.08
1932	475,700	5,953,687	12.52
		$34,430,521	

*No statement issued.

Production Costs Per Ton

	1932 $	1931 $	1930 $
Develop. & explor. ..	1.25	1.18	1.43
Mining	2.22	2.42	2.52
Milling	[illegible]	1.14	1.24
Taxes	1.00	0.85	0.81
General exp.	[illegible]	0.60	0.59
Total oper. exp.	5.96	6.19	6.59
Depreciation	0.64	0.72	0.63
Total costs per ton ..	6.60	6.91	7.22

The company's property embraces approximately 1,500 ft. along the main break at Kirkland Lake between the Kirkland Lake Gold Mining Co. and the Lake Shore Mines. Here an extensive development programme has been conducted to a depth of 4,850 ft. and shaft sinking is proceeding to an immediate objective of 6,700 ft. Owing to the relatively short length of the ore zone and the size of the mill, which has been steadily increased to a capacity of 1,300 tons daily, deep development proceeded at a rapid rate in order to provide an adequate ore reserve estimated as at September 1, 1932, as 626,489 tons averaging $12.66 per ton.

The capacity of the company's mill, its ore reserves, and the rapidity with which it is developing its lower horizons has caused some concern among shareholders as to the possible life of the property. This was further accentuated in 1931 by the encountering of lean horizons on the 26th 27th and 28th levels. It is apparent, however, that the company is well fortified with ore of lower grade for immediately succeeding years and that the future of the property will have a direct relation to the success met with in opening up ore at depth.

In order to perpetuate its existence as a mining enterprise, after the present operations have become exhausted, the company has entered upon an extensive exploration programme and has acquired two properties in Quebec. Initial results from preliminary work are regarded as most encouraging.

Indications are that so long as Canadian gold mines enjoy extra earnings due to the premium on United States funds, Teck-Hughes will be able to maintain the present rate of dividends from the lower grade ore at present being treated. Simultaneously deep development work continues in favorable geological areas that may respond with ore that has characterized the upper workings of the mine.

Common Shares—Par, $1. Issued, $4,807,144.

Price Range:	High	Low	Mar. 24
1933	5.10	3.70	4.10
1932	5.25	3.05	....

Earned, Year end. Aug. 31: 1932, $0.77; 1931, $0.69; 1930, $0.64.
Dividend Rate: 60c.; yield 14.63%.
Listed: Standard Stock & Mining, Toronto; Montreal Curb; New York Curb; Vancouver Stock Exchange; Winnipeg Stock Exchange.

Offered—
Subject to Allotment

2,000 UNITS

Derraugh Swayze Prospecting Syndicate

Authorized Capital: 3,500 Units of $10.00 Each

Head Office: 610 Sterling Tower, 372 Bay Street, Toronto, Ontario

This Syndicate has been organized to prospect and develop a group of twelve claims containing approximately four hundred and eighty (480) acres, situated in Denyes Township in the Swayze Gold Area, Sudbury Mining District, Northern Ontario.

It will also be the policy of the Syndicate to do general prospecting and developing in the Swayze Gold Area under the direction of Ed. Derraugh. This Area gives promise of becoming a new gold camp which may rank in importance with Porcupine and Kirkland Lake.

In the short space of two years, four major discoveries in this Area are under development by important mining groups. These include the Derraugh Discovery being developed by Kirkland-Hudson Bay Mining Company, Kenty Gold Mines Ltd., with which Dr. J. B. Tyrrell is associated, the Halcrow Swayze and the Dyment.

The results to date fully justify the belief that further important discoveries are yet to be made and the Area warrants considerable further prospecting.

The Syndicate has no debts or liabilities.

All monies subscribed under this Syndicate, less usual brokers' commissions, will be expended in prospecting and developing; **and both the Syndicate and Field Managers have obligated themselves without charge as to services and head office expense during the first year of the operation of the Syndicate.**

These Units are recommended as an exceptional speculation in a Prospecting Syndicate by reason of the past records of both the prospector and the management, as well as the definite business policy of the Syndicate.

2,000 UNITS OF THE SYNDICATE ARE OFFERED AT $10.00 PER UNIT

All remittances should be made payable to The Sterling Trusts Corporation, 372 Bay Street, Toronto, Ontario.

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610 Sterling Tower
Toronto 372 Bay Street Elgin 1798

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One of his outstanding pioneering gold developments is now being equipped with a mill. This property is developed to a depth of 600 feet. It has a substantial reserve of gold ore, a large area of potentially productive ground and will be producing bullion this coming summer.

Mr. Hammell and a few associates have put behind this property more than $500,000 (the larger portion from Mr. Hammell personally) to bring it to its present stage. They are "hard-boiled" mining men, placing their capital where they believe it will yield the largest returns.

We have formed an association with John E. Hammell and his company for the distribution of the treasury shares of this coming gold producer. Write us in advance as to our plan for allotting these shares and for complete information as soon as available.

Financial houses and correspondents write now

Division of Northern Canada Golds

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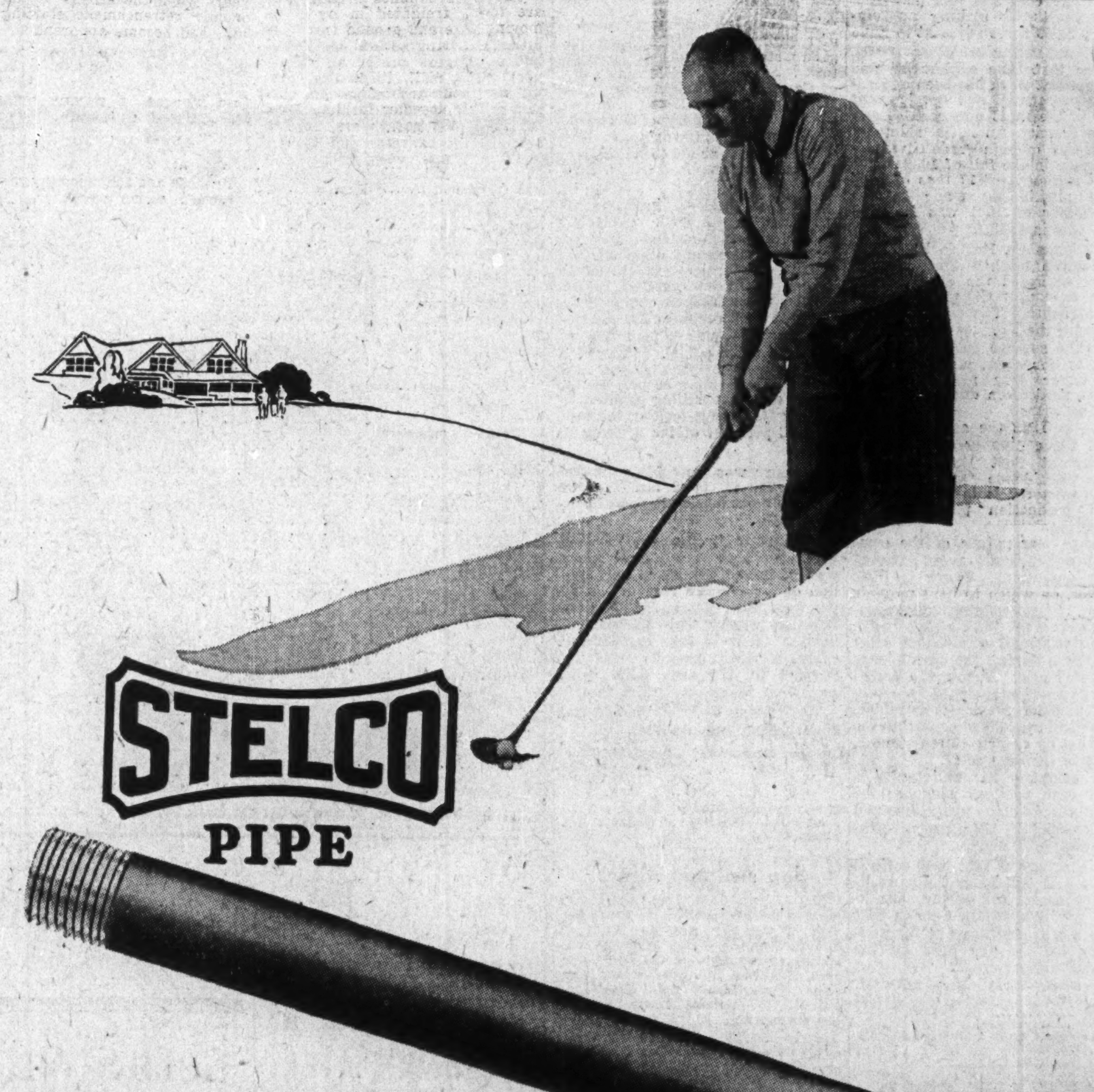
Read what Mr. Hammell says on "Canada's Golden Future". A copy of this special interview on request.



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GRANBY

Curtails Output and Increases Efficiency While Awaiting Higher Copper Prices

The Granby Consolidated Mining, Smelting & Power Co. incorporated in 1901 is British Columia's premier copper producer but, due to low copper prices, has curtailed its operations at Anyox in the Nass River mining division, and reduced its operating costs, which enable operations to continue. The plant at Anyox consists of a 3,500-ton daily capacity concentrator and smelter, producing blister copper.

The company also owns a concentrator at Allenby, B.C., but this has been closed down since November, 1930. In addition, it owns hydro-electric developments, timber limits, quarry and a colliery. The company has been a continuous producer since 1912, with peak operations reached in 1929. It has a long record as a profitable producer and dividends were paid continuously between 1903 and 1930. Between 1920 and 1927, dividends were passed. In the latter year, capital distribution was inaugurated and paid until February 1, 1932, when it was passed after distributing $7,962,631 in the form of return of capital and $10,339,458 in dividends.

The present low prices for copper have had the effect of inaugurating economies and reducing the costs to a low point that will make for increased profits once copper prices return to normal. In the meantime the company is operating at a loss.

Common Shares—Par, $100. Issued, $45,000,065.

Price Range:	High	Low	Mar. 24
1933	6¼	3⅞	....
1932	11⅝	2⅜	....

Earned*: 1931, $0.62; 1930, $3.28.
*Before depreciation and depletion.
Listed: Boston Stock Exchange; New York Stock Exchange; Vancouver Stock Exchange.

"A Prospect of Unusual Merit in Canada's Most Promising Gold Area"

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Airplane Transportation Inseparable from Mining

"What Might Have Been" Had Not Airplanes Made Their Debut to Serve Canada's Inaccessible Areas

By W. B. BURCHALL
Canadian Airways Ltd.

The progress of air transportation to Canada's Northland with its saving of time drudgery and mental relief from isolation have been stressed by many writers but few have painted the picture of "what might have been" had not the airplane made its debut into the life and effort to "crack open the North."

W. B. BURCHALL

In 1926 aerial transportation into Canada's hinterland was just making its bid against the dog team and canoe. In that year Patricia districts of Ontario and Manitoba were little more than fertile fields for prospecting, insignificant in the production of gold. Six years later, the Patricia district had produced $2,500,000 in gold and Manitoba over $6,000,000.

This is all the more remarkable when it is considered that in these areas less than 200 miles of railway were constructed during that period.

It is now about seven years since aircraft of a type which could be considered at all efficient were made available in Canada for the transportation of equipment and supplies into the mining areas.

Started in 1926

Since 1926—the year of the Red Lake rush—a steadily increasing use of aircraft has resulted in yearly augmented totals of mileage hours flown and freight carried.

Despite the fact that the eastern inter-city and prairie air mail services were discontinued in March 1932, a comparison of the yearly totals for 1931 and 1932 shows that Canadian Airways alone carried nearly 80 per cent more freight and express during the latter year and more passengers despite the fewer hours and mileage flown.

This increase is largely accounted for by the activity in the Great Bear area and whatever the future of Great Bear may be, it has at least served one purpose well—demonstrating to the public that provided the facilities afforded by aerial transportation are available, no part of this Dominion is too remote for industrial development.

During exploration and preliminary development periods, it has been the general practice, in areas remote from rail or waterway, to utilize air transportation exclusively. Waterways or overland routes were then developed and reliance on aircraft for transportation purposes gradually diminished.

Roads Sometimes Impractical

This procedure is not invariable for the topographical nature of the country may be such that the cost of construction of roads or railway is prohibitive.

Again it may be that interruptions en route by ground and water transport necessitate frequent handling thus adding to risk in transit and augmenting freight charges. In such cases aircraft will continue to provide most of the transportation. This condition obtains today in many areas which are well on to the production stage.

This use of combined air and surface transport renders it extremely difficult to evaluate the direct contribution of aircraft toward the development of the mining areas. In all aerial transportation was used to accelerate development and in two aerial transportation still forms an important and by far the speediest link with the outside world.

On Christmas day 1926 two Fokker aircraft arrived at Hudson, Ont. These machines were put into service between Hudson on the Canadian National Railways and Red Lake. These two aircraft had been purchased by James A. Richardson of Winnipeg for the newly organized Western Canada Airways, which later was absorbed by the present Canadian Airways.

Airplanes Came to Red Lake

A short time after the arrival the aircraft was moved to Sioux Lookout, the present base. From Sioux Lookout by air to Red Lake is 116 miles; the schedule flight is a little over two hours including a stop at Gold Pines. In the early days of the Red Lake rush, practically all freight was carried by air. Nowadays, during the winter, caterpillar tractors haul loads across the lakes and portages and, in the summer, motor boats ply the length of Lac Seul (120 miles). Beyond this there are portages and other lakes to be negotiated in the remaining seventy miles.

The main supplies in this area are today freighted in, by slow-moving lake and ground transportation involving several handlings, but passengers prefer air transport while mail, foodstuffs, perishable goods and bullion are carried in this speedier fashion. During 1932, 483 passengers, 249,896 pounds of express and 34,672 pounds of mail were transported by air in this territory. These were destined to the Howey, Central, Patricia, Jackson Manion, Woman Lake, Metals Development and Summit Lake properties.

Development of Northwestern Ontario during the years 1929, 1930 and 1931 totalled approximately $4,155,000.

The Howey mines, is the centre of activity of this area and its officials have consistently used air transportation since the earliest days of development.

Hard to Gauge Importance

It is difficult to apportion the credit due to aerial transportation in this economic development. Were the services suspended, a better estimate of their value might be gauged from the protests raised.

Let us now turn to Northern Manitoba. Late in 1927, a plan of development was decided at Sherritt Gordon, to be put into effect immediately. The property was located eighty-five miles from the nearest point on the Hudson Bay Railroad and for development purposes it was necessary to transport, without delay, men, supplies and equipment. Comparisons of air and water transportation rates revealed that air rates were the cheaper and so the job was done by air within twenty-eight days elapsed time.

In November 1927, a railroad was decided upon to Flin Flon and a year later, this railway was extended to Sherritt Gordon.

But what a different story might have been written had preliminary development been delayed for two years when the effects of the economic retrenchment starting in 1929 had become apparent.

During the development years 1928—1929 a great deal was accomplished in this area after the first big job of moving tonnage was finished. Summed up, it comprised 3,756 passengers, 3,494 pounds of mail and 655,506 pounds of express

In these and following years construction work proceeded apace, railways were extended into the area and modern towns erected at both Flin Flon and Sheridon. The mining developments in these two areas called for an expenditure of $42,000,000 in three years.

Flin Flon Area

To estimate the value of production of this area would be scarcely fair at the present low price of copper, which caused activities to cease at Sherritt Gordon June 1932. The value of the production from these two areas for 1931 and 1932 was about $15,000,000.

This figure is impressive and although today, the plane, as a vehicle of general transportation has served its purpose in this territory, one cannot but wonder how different things might have been had aerial transportation not been available at that crucial period.

On the western fringe of the Pre-Cambrian Shield and due east of Lake Winnipeg lies a territory on which much attention is focused at the present time. Today we hear a great deal about Island Lake and God's Lake, but back in 1926 Central Manitoba was occupying the centre of the picture. This country is rock, interspersed with lakes, roads are absent and even the shortest journey inland from Lake Winnipeg, involves innumerable portages.

To provide transport facilities into this area, a base was established at Lac du Bonnet in May 1927 and an air mail service established to the newly opened post offices of Waldhope and Bissett, the first air mail service in Manitoba. From May 1927 to August 1929, airplanes transported 1,768 passengers, 220,108 pounds of express and freight and 50,986 pounds of mail into this area.

Dreams Come True

For a time activity languished and the mail was taken in over a water route, but latterly greater interest has arisen in the territory, the air mail service has been reestablished and the San Antonio Mines went into production in June 1932. The gold produced from this area totalled about $2,500,000 to the end of 1932.

Compared to many mining territories, the distances to this area from rail head are short, but the country is very much broken up. In winter transportation is chiefly overland, but an all-the-year-round passenger and express service is maintained by the aircraft operating companies.

The areas from which this wealth has been gleaned, only six years ago, were indistinguishable from the other thousands of square miles of bush, muskeg and rock of the North.

Their rich content was surmised, old prospectors dreamt of the wealth lying there—inaccessible.

Today when "mining" provides almost the only silver lining on the clouded industrial horizon, credit must be given those who, with vision and faith in the possibilities of aerial transportation, provided the wherewithal by which these dreams came true.

VIPOND

Deeper Work Indicates Property Near Depletion

Vipond Consolidated Mines, incorporated in 1922, is controlled by the Huronian Mining & Finance Company. Efforts have been directed at proving up profitable ore bodies and while all exploration and development charges have been met by gold recoveries, profits have not been consistent that would permit dividends being maintained. One dividend of $67,500 was paid in 1927. Its property consisting of 320 acres adjoining the Hollinger Mines at Timmins, Ontario, was under intermittent development and production prior to the present company starting production operations in 1924.

Development has been carried to a depth of 1,450 ft. Recent work has not been productive of finding ore of importance and the present known reserves are near exhaustion.

The following is the tabulation of production and recent costs by the present company.

Production Years Ended July 31

Year	Tons Milled	Recov. per ton	Production
1924	29,783	$12.78	$379,075
1925	60,344	9.66	582,925
1926	64,522	8.77	565,995
1927	95,799	7.36	704,900
1928	86,727	7.46	646,896
1929	100,540	7.93	797,114
1930	118,329	7.91	896,897
1931	107,290	6.65	712,856
1932	102,000	4.69	478,022
			$5,764,182

In addition to the above there was a production between 1911 and 1918, by the predecessor companies totalling $808,424 The Porcupine Crown section now forming part of the company's property, had a production between 1911 and 1918, by the predecessor companies at $2,871,816.

Production Costs Per Ton

	1932 $	1931 $	1930 $
Develop. & explor. ..	1.34	1.86	0.79
Mining	2.53	1.76	2.00
Milling	1.10	1.22	1.19
Market. & taxes	.07	.37	.27
Gen. exp. & adminis.	.78	.64	.68
Total oper. costs	5.82	5.85	4.93
Deprec. & w/o	.22	.62	.74
Total costs per ton ..	6.04	6.47	5.67

Common Shares—Par, $1. Issued, $2,250,000.

Price Range:	High	Low	Mar. 24
1933	.42½	.20	.35
1932	.45	.18	...

Earned: 1932, nil; 1931, $0.027; 1930, $0.134.
Listed: Standard Stock & Mining Exchange, Toronto; London (Eng.) Stock Exchange; Montreal Curb.

McINTYRE PORCUPINE MINES

New Era Inaugurated With Completion of Centralization Plan Which Promises Many Years Profitable Life

McIntyre Porcupine Mines was incorporated in 1911 by Toronto interests headed by J. P. Bickell to develop a gold property in the Porcupine district, Ontario, adjoining the Hollinger Mine.

The early history of the company was a struggle to meet expenses, but since 1916 it has disbursed over $10,000,000 to shareholders.

Through a policy of acquiring adjacent territory that expanded its operations' it was able in 1931 after a 20-years record as a producer, to centralize its operations with a new 2,000 ton capacity mill across the lake from its old plant. Today it has what is regarded as the finest surface plant of any gold mine in the world.

The company's holdings consist of approximately 680 acres, one and three-eighth miles along the strike of the vein and adjoining Hollinger. These holdings have been developed through a main production shaft to a depth of 4,150 feet. Ore developments in the vicinity of the main production shaft have been such as to indicate a new lease of life for the company which has been further accentuated by the exploration of what is known as the Platt Veteran. Here exploration has been conducted from the 3,750 ft. horizon some 3,000 ft. southeast of the main shaft. This new section is responding to development in a most satisfactory manner.

Production Fiscal Years

Year	Tons Milled	Recov. per ton	Production
1912	14,500	$5.25	$76,166
1913	31,979	7.05	225,752
1915*	85,654	8.39	718,332
1916	105,758	7.38	779,991
1917*	195,307	9.55	1,864,914
1918	178,327	9.61	1,714,258
1919	179,874	9.29	1,671,646
1920	188,885	11.02	2,080,178
1921	171,916	11.08	1,904,326
1922	193,971	9.99	1,937,105
1923	240,615	9.35	2,249,742
1924	360,140	9.14	3,291,178
1925	400,259	8.86	3,546,638
1926	460,909	8.25	3,804,775
1927†	385,409	7.67	2,957,061
1928	520,460	7.66	3,987,635
1929	538,165	7.83	4,212,625
1930	550,495	8.05	4,433,627
1931	558,115	8.30	4,633,141
1932	655,030	7.63	4,997,462
	6,015,718	$8.49	$51,086,551

*15 months. †9 months.

Production Costs Per Ton

	1932 $	1931 $	1930 $
Develop. & explor. ..	0.64	0.91	0.85
Mining	2.37	2.30	2.27
Milling	0.97	1.01	0.93
Taxes	0.40	0.28	0.22
Gen. & adminis. exp.	0.31	0.41	0.37
Total oper. costs	4.69	4.91	4.64
Deprec. & write-offs.	0.69	0.72	0.93
Total costs per ton ..	5.38	5.63	5.57

The proven ore reserves as at the end of the company's fiscal year, March 31, 1932, were given as 2,562,563 tons, assaying $7.75 per ton This, however, does not truly reflect the ore potentialities of the property. The fact that the company built a complete new plant of the most modern construction is evidence of the ore possibilities. It is the policy of the company not to carry development expenditures in favorable areas beyond certain economic limits.

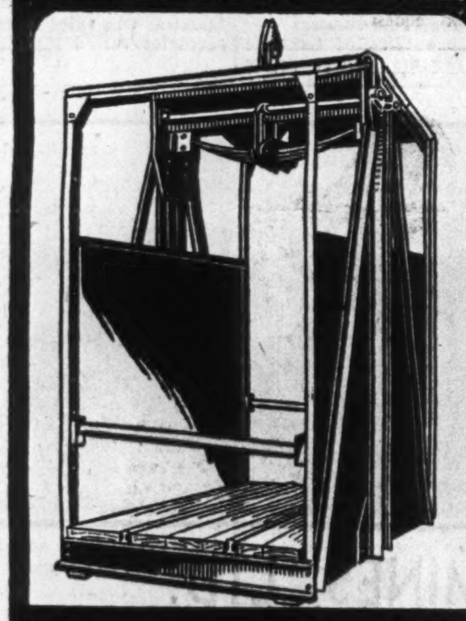
The company has pursued a conservative policy regarding the disbursing of dividends to shareholders, with the result that the earned surplus accumulated has enabled the company to expand in past years by acquiring adjoining properties and completely rehabilitate its property with the new centralized plant. This expansion programme completed, favorable consideration was given to increasing the dividend from $1.00 to $1.50 per share commencing with the payment on September 1, 1932.

The outlook for the company continues to improve year by year with increased ore reserves, production and earnings. The fiscal year ended March 31, 1933, witnessed the greatest production in the company's history and preliminary estimates indicate earnings of approximately $3 per share. While no further increase in milling facilities is contemplated, development work continues to improve the ore possibilities of the property. The new work being conducted on the Platt Vet section already has earmarks of greatly enhancing the company's ore position. The production stride struck with the completion of the new plant is expected to be maintained without difficulty in, at least, immediately succeeding years.

Common Shares—Par, $5. Issued, $3,990,000.

Price Range:	High	Low	Mar. 24
1933	27.90	21.20	23.00
1932	25.00	14.70	.....

Earned*: Yr. end. Mar. 31: 1932, $1.98; 1931, $1.62; 1930, $1.44.
*After setting up general reserve.
Listed: Standard Stock & Mining Exchange, Toronto; New York Curb; Montreal Curb; Chicago Board of Trade; Winnipeg Stock Exchange.



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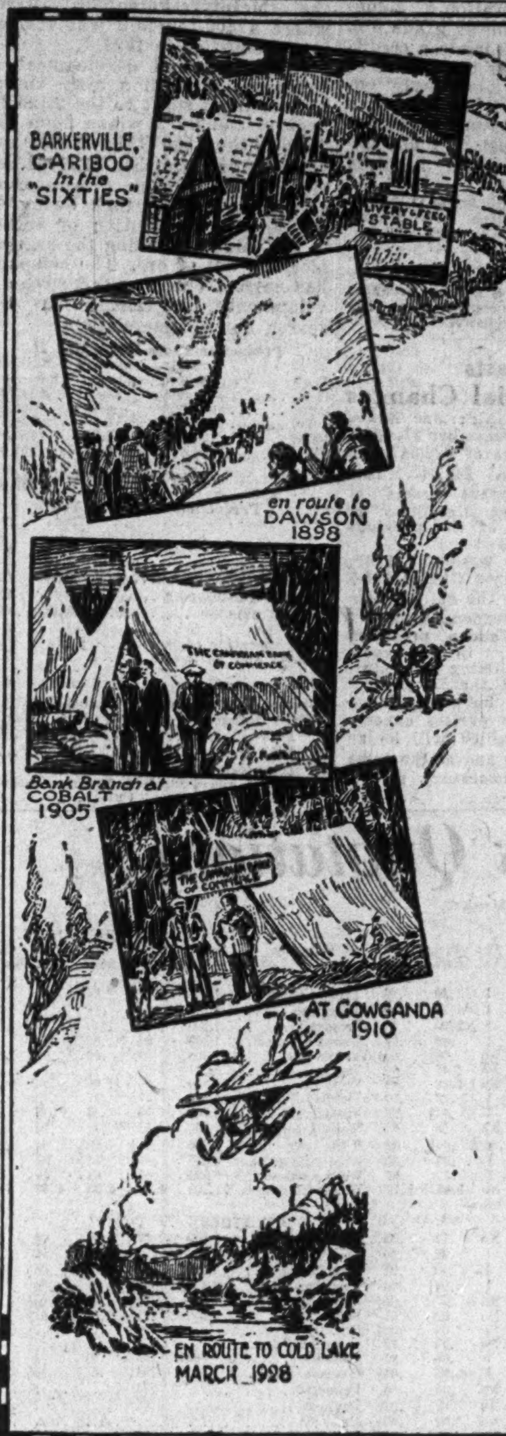

The Trail of The Pioneer

OVER the prospector's trail adequate banking service and the stability of modern business came to Canada's mining camps through the pioneering efforts of The Canadian Bank of Commerce.

The service of The Canadian Bank of Commerce was available in the Cariboo in the early "sixties." It was extended to Dawson when the Bank's officers "mushed" over the Chilcoot Pass in '98. It was established in a tent at Cobalt in 1905. It had become noted at The Pas before development of the Flin Flon and Cold Lake claims commenced.

It is still the policy of The Canadian Bank of Commerce to follow the trails that lead to new mineral wealth and a greater and more prosperous Canada.

THE CANADIAN BANK OF COMMERCE

S. H. LOGAN, General Manager
Capital $30,000,000
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Over 60 Branches in the Mining Districts, Including:

Cobalt	Amos	Sudbury
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God's Lake Gold Mines
LIMITED
(No Personal Liability)
Incorporated under the laws of the Province of Manitoba

CAPITAL
3,000,000 Shares No Par Value — Treasury 1,075,000 Shares
Issued for Property 1,925,000 Shares (Pooled)

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Transfer Agents and Registrar: THE TRUSTS & GUARANTEE CO. LIMITED, Toronto.
The Head Office of the Company: WINNIPEG
Solicitors: MESSRS. PITBLADO, HOSKIN, GRUNDY, BENNEST & DRUMMOND-HAY, Winnipeg.

THIS Company has been formed to explore and operate a group of 84 claims, comprising approximately 4,500 acres — including the main group discoveries in the new God's Lake Mining District in Manitoba. The property of the Company is a consolidation of the Rand, Reno, Gold Standard, Elk, Greenstone, Cona, Akers and Kipp Groups and extends along the formation for over nine miles. Along this strike and included in the group, four major gold discoveries have been made over a distance of five miles. The geology is typical of the Ontario Gold Camps. The gold discoveries occur in a strong shear zone cutting this formation through the length of the whole group. These discoveries have been sampled by a well-known engineer and showed such consistent gold values that the management believes considerable bodies of profitable gold ore should be opened up by development work now under way. Mr. E. L Brown, M.E., a highly regarded Mining Engineer, has been appointed to take full charge of operations and is now on the property with a crew of men and necessary equipment. A contract has been let for an extensive diamond drilling campaign. Plans call for shaft sinking at two or three different points. The first shaft has been started and is now down over 20 feet.

The Vendors have transferred the whole of their right, title and interest in the 84 claims to the Company in consideration of the issue of 1,075,000 fully paid and non-assessable shares of the Company.

All Vendors' Shares are pooled for the period of two years with the Toronto General Trusts Corporation, Winnipeg, Manitoba.

Head Office: 395 Main Street, Winnipeg, Manitoba

FALCONBRIDGE

Capacity Being Increased — Sales in 1932 Exceed Production

Falconbridge Nickel Mines was incorporated in 1928 by the Lindsley group of Toronto to develop a copper-nickel deposit whose characteristics were probed by the Longyear interests many years ago, but which did not attract attention owing to the relatively lower grade of ore encountered.

Upon incorporation of the present company it was rapidly brought into production, smelting starting in February, 1930. An initial dividend of ten cents per share was paid early this year.

The property consists of some 8,000 acres in Falconbridge and Garson townships, Sudbury area, Ontario. Development work has been carried to a depth of 1,000 ft. with ore reserves reported total 2,920,457 tons assaying 2.25 per cent nickel and .93 per cent copper.

Late in 1932 the smelter was increased from 325 tons to 450 tons daily and construction started on a concentrator of 250 tons capacity planned for completion in April, 1933. The concentrator enables the company to treat lower grade ore encountered which in the past has been passed by or picked out.

The nickel-copper matte produced by the smelter is shipped to a refining subsidiary in Norway, which produces refined nickel and copper.

Nickel Sales Advance

In 1932 the mine produced 159,573 tons of ore of which 123,306 tons were picked out and smelted, producing 4,947 tons of nickel-copper matte. The refinery in Norway produced 2,704 tons of nickel and 1,144 tons of copper.

Sales of nickel in 1932 showed considerable improvement over 1931. In 1932, 3,922 tons were sold or nearly 50 per cent in excess of production, resulting in the accumulated inventory being correspondingly reduced.

The working capital of the company on December 31, 1932, was $1,799,227.

Operations in 1932 showed a profit for the first time and resulted in the reduction of the accumulated stocks of refined nickel. Sales are understood to have principally been made in Germany, Russia and in Japan.

The company's record in 1932 gives but little indication for the guidance of the investor as earnings in part represented conversion of profit in previous stocks. Also, indications are that costs will increase with the operation of a concentrator treating lower grade ore.

The company has made a creditable showing during the period of adversity against a strongly entrenched competitor, but lacking a research and marketing organization of its own must rely on connections and customers acquired from its competitor.

Common Shares—Par, No. Issued, 3,195,055.

Price Range:	High	Low	Mar. 24
1933	2.75	1.80	2.49
1932	2.40	.47	....

Earned: 1932, $0.24.
Dividend Rate: 10c., initial Jan., 1933.
Listed: Standard Stock & Mining, Toronto; Montreal Curb; Vancouver Stock Exchange; Winnipeg Exchange.

Aldermac Awaits Industrial Changes

Annual report of Aldermac Mines for the year ended December 31, 1932, shows current assets of $12,547 and current liabilities of $41,841. This compares with current assets of $65,858 and current liabilities of $69,049 at the end of the previous year.

Operations at the company's property in the Rouyn area started early last year but due to the market conditions for pyrite, suspended after a test run. J. J. McFadden, president of the company, says in the report that with the stabilizing of industries it is expected that a general turnover from the burning of imported brimstone to pyrites concentrates will ensue, which will be an economy to the user and at the same time furnish the necessary market for Aldermac pyrite.

CONIAURUM MINES

Recovery Meeting Expense of Extensive Exploration Programme

Coniaurum Mines was incorporated in 1929 by the Lindsley interests as a re-organization of a company by the same name which started production in 1928, but owing to inability to meet the funded charges was forced into bankrupty.

The company owns 641 acres in Tisdale township, Porcupine district, Ontario, immediately east of the McIntyre-Porcupine Mines where a 400-ton mill was started into production in 1928.

Production and development is conducted through a main three-compartment shaft to the 2,125 ft. horizon and by a winze from the 2,000 to the 2,500 ft. level. The ore reserves on December 31, 1931, included only broken ore reserves valued at 765,133 tons owing to the erratic distribution of values in the veins precluding the regular blocking out of ore. The company has carried out an aggressive development programme in the search for commercial

Production Years Ended Dec. 31

Year	Tons Milled	Recovery per ton	Bullion Recovered
1928	52,005	$5.06	$249,890
1929	103,293	6.45	666,549
1930	122,972	5.99	736,727
1931	130,585	6.02	785,708
1932	144,645	5.95	861,031
			$3,299,905

Production Costs Per Ton

	1931 $	1930 $
Develop. and exploration	0.56	0.70
Mining	3.14	3.40
Milling	0.85	0.94
Taxes and marketing	0.03	0.03
General expense	0.43	0.43
Total operating costs	5.01	5.50
Deprec. and write-offs	1.41	1.00
Total costs per ton	6.40	6.50

Common Shares—Par, No. Issued, 2,697,447.

Price Range:	High	Low	Mar. 24
1933	.45	.20	.30
1932	.50	.23	...

Dividend Rate: 3c., initial Aug., 1932.
Listed: Standard Stock & Mining, Toronto, (unlisted); Montreal Curb.

INTERNATIONAL NICKEL

Fortified for an Upturn in General Conditions With Use of Nickel Steadily Expanding

This year marks the Golden Anniversary of the discovery of the Sudbury nickel-copper deposit that laid the foundation for the mining operations which were later merged to form the International Nickel Co. of Canada, incorporated in 1916.

The past fifty years have witnessed the development of what was regarded as a copper prospect of uncertain merit into the world's largest known nickel deposit rich with copper and precious metals which has caused to be founded a basic metallurgical enterprise, international in its scope of operations ranking as one of the leading industries in the world.

The primary mining operation of the company, near Sudbury, Ontario, produces 90 per cent of the world's nickel, is Canada's potentially largest copper producer and is one of the world's leading sources of platinum.

Following the merger with the Mond Nickel Co. late in 1928 the International Nickel Co. of Canada became a holding as well as an operating company with plants and subsidiaries in Canada, United States and England, producing, refining, manufacturing and marketing nickel, copper, nickel-copper alloys, precious metals and by-products which are distributed through marketing subsidiaries and metal dealers throughout the world.

Expansion Completed in 1931

The transition in demand for nickel and nickel alloys from armament requirements to peace-time products following the Great War was accompanied by a steadily increasing and diversified demand for the metal that culminated in facilities being provided by an expansion programme, completed in December, 1931, which involved the expenditure of approximately $50,000,000. This programme was inaugurated in 1924 with the development and exploration of the Frood Mine, the world's largest nickel-copper deposit and recognized as one of the richest known ore deposits in the world, with sufficient ore reserves to provide the company with raw materials for generations to come at anticipated rate of consumption demands.

The expansion programme, as now completed, provides facilities for the production of 90,000 tons of nickel, 120,000 tons of copper, 40,000 oz. gold, 1,500,000 oz. silver and 300,000 oz. of metals of the platinum group. These facilities were designed to anticipate the demand for the company's products for years to come and will enable it to produce better quality products at lower prices in quantities governed only by world industrial activity and demand.

Within the boat-shaped basin, approximately 26 miles in length and 16 miles in width, known as the Sudbury nickel range, the Creighton and Frood mines of the company provide ore for the primary mining and smelting operations at Copper Cliff, four miles west of Sudbury. Here nickel-copper matte and blister copper is produced, both containing precious metals.

Ship Matte to Wales

A portion of the copper-nickel matte is shipped to the refinery operated by another subsidiary, the Mond Nickel Co. at Clydach, Wales, where the contained copper is produced as copper sulphate and the nickel is produced in pellet form by the Mond process. The greater part of the nickel-copper matte made at Copper Cliff is separated, the blister copper going to the adjacent plant of company's refining subsidiary the Ontario Refining Co., and the nickel sulphide to the company's electrolytic refinery at Port Colborne, Ont. A certain proportion of the matte made—that coming from the ore from the Creighton mine with a definite relation of copper to nickel—is treated at Coniston, Ontario, eight miles east of Sudbury, in the former Mond smelter, producing matte, which is shipped to Huntington West Virginia, to be fabricated into "Monel Metal" products.

In the United States, through its subsidiary the International Nickel Co., Inc., the company operates a fabricating plant at Huntingdon, West Virginia, producing rolled nickel, nickel alloy, and particularly "Monel Metal" in form of sheets, rods, wire, seamless tubing, cold drawn rods, hot and cold rolled strips and other rolled products. At Bayonne, New Jersey, a foundry is operated producing "Monel Metal" and nickel alloy castings. In connection with the Bayonne plant there is an extensive research laboratory and development department created for promoting and the application of nickel products.

Mond Nickel Co. a Subsidiary

In Europe the company's operations are conducted through Mond Nickel Co., another subsidiary. At Clydach, Wales, nickel is refined by the carbonyl process, producing nickel pellets and nickel salt.

At Acton, near London, England, the company operates the world's largest precious metal refinery, treating silver, gold and platinum metal concentrates from its other refining plants.

In Birmingham through Henry Wiggin & Co., a subsidiary, are produced products of nickel-copper alloys including anodes, sheets, rods, wire, spoon and fork blanks, while at another plant cobalt salts, cobalt oxide and cobalt are produced. At a third plant in Birmingham, the Birmingham Electric Furnace Co. manufactures electric furnaces equipped with chromium-nickel alloy heating elements.

For the investor, shares in International Nickel constitute a partnership in a basic enterprise, the largest mining and metallurgical operation in Canada with world wide connections and affiliations dominating the production of nickel.

Has a Monopoly

In the past this far-flung company has proven to be a benevolent monopoly maintaining a price for nickel that has not changed or fluctuated and that has thereby inspired confidence in future stability of prices.

The company is fortified as never before, with production facilities making for lower costs and improved products as well as increased tonnage governed only by the general state of industrial activity.

Earnings Up Last Quarter

A significant turn of events was evidenced in the financial statement covering the three months ended December 31, 1932, when a profit of $157,008 was recorded in contrast with losses in previous quarters. This transition from a losing to a profitable period was credited to increased nickel sales and while not conclusive assurance as to a future trend of earnings is a manifestation of ability to quickly recuperate and take advantage of improved general conditions.

While the company is primarily a nickel producer, it is Canada's largest copper producer and one of the world's lowest copper operations, and it is also potentially one of the largest producers of platinum and metals of the platinum group.

The chaotic condition of the copper market has a depressing effect on earnings, as is indicated by the fact that each one cent change in the price of copper, on the basis of its refining facilities, means 16 cents per common share outstanding.

Common Shares — Par, No. Issued, 14,584,025.

Price Range:	High	Low	Mar. 24
1933	11.12	8.00	10.00
1932	13.50	4.00	.....

Earned: 1932, nil; 1931, $0.22; 1930, $0.67.
Listed: New York Exchange; Montreal Stock Exchange; Toronto Stock Exchange; Standard Stock & Mining (Unlisted section), Toronto; Vancouver Stock Exchange; London, Eng. Stock Exchange.

Prospectors Airways Co.

Prospectors Airways Co. was incorporated in April, 1931, to succeed Prospectors Airways, a private company organized in 1928 by Robert Cockeram & Associates to undertake mineral prospecting, chiefly through airplane transportation.

Principal interest in the company centres about its holdings of 880,000 shares in McWatters Gold Mines, incorporated in November, 1932, to develop a gold prospect acquired by Prospectors Airways who later formed the McWatters Gold Mines to develop the find.

The Huronian Mining & Finance Co. and Ventures Ltd. each have approximately 25 per cent interest in Prospectors Airways Co., and have provided the principal funds for the exploration activities through the purchase of treasury shares.

Common Shares—Par, No. Issued, 500,000.

Price Range:	High	Low	Mar. 24
1933	.95	.70	.70
1932	1.31	.15	...

Listed: Standard Stock & Mining Exchange, Toronto.

Coal Production

Coal output of Alberta mines for the month of January totalled 477,865 tons, a decrease of 55,877 tons from January of 1932 and of 75,473 tons from December of 1932.

NICKEL SHARES HELD IN EMPIRE CONSTITUTE 58%

Annual Meeting Elects R. S. McLaughlin Director

Canadian shareholders of International Nickel constitute 44 per cent of the total and they own approximately 23 per cent of the issued shares, Robert C. Stanley, president of the company, stated at the annual meeting in Toronto on March 28. Shareholders in Great Britain constitute 18 per cent of the total and they hold about 35 per cent of the total while citizens of the United States number 37 per cent of the total and hold about 43 per cent of the issued shares. The aggregate holdings within the Empire were nearly 58 per cent of the total shares.

Another interesting statement at the meeting was that whereas $52,076,306 had been spent on the company's expansion and construction programme since 1926, $37,185,678 had been provided from the sale of the company's securities and the balance or $14,890,628 came from accumulated earnings. Great as was the cost of this programme it was some $1,000,000 less than was estimated and appropriated for the undertaking.

Costs Are Lowered

This expansion programme provides facilities greatly in excess of present market requirements but due to the economies effected it is enabling the company to reduce costs to a point never before obtainable. Sales of nickel in all forms in 1932 were 38 per cent less than in 1931 and 73 per cent less than in the peak year of 1929. Any upturn in business the last quarter of 1932 enabled a profit to be shown as compared with losses in previous months.

Boilermakers
Ironfounders
Plate work
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LONDON - CANADA
Montreal Toronto
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SISCOE GOLD MINES LIMITED
"Quebec's First Gold Producer"
HEAD OFFICE:
Dominion Square Building
MONTREAL

OFFICERS:
J. T. Tebbutt, President.
W. A. Fensom, Vice-President.
H. E. Green, Secretary-Treasurer.
J. M. Forbes, B.Sc., M.I.M.M., General Manager.

DIRECTORS:
G. N. Coyle, Drumheller, Alta.
W. A. Fensom, Montreal, P.Q.
Edwin C. Ford, Montreal, P.Q.
T. H. Higginson, Montreal, P.Q.
John Knox, Timmins, Ont.
Thayer Lindsley, Toronto, Ont.
Geo. H. Robert, Montreal, P.Q.
Stanley E. Siscoe, Montreal, P.Q.
J. T. Tebbutt, Three Rivers, P.Q.

PROPERTIES:
Debuisson and Varsan Townships, Quebec
Mine Office: Siscoe, P.O., Quebec

Buys Coffee From Jamaica

More than one third of Canada's coffee requirements comes from Jamaica. One third comes from other countries within the British Empire.

LAKELAND GOLD MINES, LTD.
(No Personal Liability)

The work already carried out on the Lakeland property has revealed such an improved ore tonnage on the 450 ft. and higher levels as well as the raises driven upward from the 450 ft. level together with ore bodies opened up at deeper levels by diamond drilling that the Management are now completing the plant to start deepening the shaft. Recent exploration by diamond drill at the above levels on the West side of the shaft has given unexpectedly encouraging results. Two flat holes driven for a distance of 72 ft. on the 450 ft. level revealed a good grade of ore over practically the entire width with four high-grade veins encountered at intervals giving assays of $20.00 to $30.00 over good widths. Three raises have been driven upward from the No. 9 vein on the 450 ft. level which revealed a good grade of milling ore over full widths for a distance of 62 ft. To protect the strike of the ore westward, the Company acquired an additional 120 acres, bringing its total acreage 1,120 acres.

Work to the east of the shaft, on the 300 and 450 ft. levels, has opened up a good grade of milling ore, running $8.00 to $9.00 to the ton over full mining widths. On three levels approximately 4,000 ft. of drifting has been completed. Faces of the drifts show no signs of weakening.

Additional equipment is now completely installed. This will greatly increase the working facilities.

The overhead of the Company is being kept at a very low figure with all work and equipment paid for in full. The Company has no indebtedness whatsoever. Full information gladly furnished upon request.

F. A. POLLARD, President
A. W. MORRIS, Sec'y-Treas.
OSCAR L. KNUTSON, General Mine Manager

HEAD OFFICE - - 19 SUN LIFE BUILDING - - HAMILTON, ONT.

Mining Stock Quotations

Week Ending March 27.

Par Val.	Range 1933 High	Low	Company	Sales	Close Mar. 20 (or last)	High for week	Low for week	Close Mar. 27
1	.05	.02	Abana	100	.03½	.04	.04	.04
1	.01½	.00½	Aconda	....	.01	....	....	....
No	*.15	.15	Aldermac	....	....	....	....	....
1	.03½	.01	Alexandria	23,000	.02	.02½	.01½	.01½
No	.05½	.02½	Algoma	24,000	.02½	.03	.02½	.02½
1	.01	.00½	Algonquin	4,500	.00½	.00½	.00½	.00½
1	.01½	.00½	Amity C.	1,000	.01½	.01	.01	.01
No	.25½	.10	Amulet	6,330	.18½	.17	.15½	.16
1	.01	.00½	Apex	....	.00½	....	....	....
1	.03½	.02	Area	5,000	.02	.02	.02	.02
No	.04½	.01½	Arno	78,000	.03	.03½	.02½	.02½
1	1.36	.74	Ashley Gold	16,322	1.10	1.31	1.05	1.29
1	.14	.02½	Bagamac	33,600	.09	.09	.07	.07
1	.03	.00½	Baldwin	6,000	.00½	.00½	.00½	.00½
1	.20	.08	Barry Hollinger	35,550	.13½	.13	.11½	.12½
No	1.00	.75	Base Metals	100	.95	.85	.85	.85
No	1.00	.98	Beattie	....	.98	....	....	....
1	.21	.08	Big Missouri	4,510	.14	.16	.14	.14
1	.18	.08½	Bobjo	19,300	.12	.12	.11	.11
1	.25	.15	Brett Trethewey	12,100	.16	.19	.16	.18
1	.03½	.01½	Brownlee	5,800	.02½	.03	.02	.02½
1	.01	.00½	Buckingham	1,500	.01	.00½	.00½	.00½
No	.04½	.02½	Buffalo Can.	500	.03½	.03½	.03½	.03½
No	.03½	.01½	Bunker Hill	44,700	.03	.03½	.02½	.03½
5s	.65	.60	B'Wana McKubwa	....	.65	....	....	....
No	.04	.02½	Canam Metals	5,000	.03	.02½	.02½	.02½
1	.12½	.03	Can. Kirkland	17,600	.06	.05	.04	.04
1	.01	.00½	Capital Rouyn	3,500	.00½	.00½	.00½	.00½
1	.03½	.01	Cartier Malartic	20,000	.01	.01	.01	.01
1	.30	.15	Castle Trethewey	6,450	.22	.21	.20	.20½
1	.15	.06	Cen. Manitoba	3,000	.10	.10½	.08	.08
1	.28	.17	Cen. Patricia	34,700	.22	.21	.17	.18
No	.11	.03	Chibougamau Pros.	11,000	.06½	.07½	.06½	.06½
	.10½	.05½	Church. M. & Mill.	1,600	.06	.06	.05½	.05½
No	.02½	.00½	Clericy	14,000	.01½	.01½	.01½	.01½
	.01½	.01	Clifton Cons.	500	.01	.01	.01	.01
5	3.20	1.65	Coast Copper	1,025	3.01	3.00	2.50	2.95
1	.02½	.00½	Cobalt Contact	1,000	.02	.01½	.01½	.01½
1	.11	.05	Columario	9,700	.06½	.06	.05	.05½
5	1.05	.75	Coniagas	....	.75	....	....	....
No	.45	.20	Coniaurum	2,075	.30	.30	.22	.30
25	72.62	54.00	Cons. Smelters	3,226	69.50	68.50	65.00	66.00
No	18.50	13.60	Dome Mines	3,420	15.40	15.75	15.00	15.50
No	.05½	.03½	Dom. Explorers	9,200	.04½	.04½	.03½	.04
1	.01	.00½	Dominion Kirk.	....	.01	....	....	....
1	.04	.01½	Don Rouyn	3,500	.02	.02	.01½	.01½
1	.04½	.02	Duparquet	3,000	.02½	.03	.03	.03
1	1.61	1.16	Eldorado	9,175	1.36	1.37	1.31	1.35
No	2.75	1.80	Falconbridge	8,345	2.55	2.55	2.40	2.40
1	.02½	.01	Federal	1,000	.01½	.01½	.01½	.01½
No	.02½	.01½	Flintoba	....	.02½	....	....	....
No	.02½	.01	Gilbec	12,000	.02½	.02½	.02	.02½
1	.07	.04	Goldale	1,500	.05½	.05½	.05½	.05½
10	.15	.10	Goldfield	....	.10	....	....	....
1	.00½	.00½	Gold Hill	5,000	.00½	.00½	.00½	.00½
	.01½	.01	Gold Reef	....	.01	....	....	....
1	.04½	.02	Goodfish	700	.03	.02	.02	.02
1	.03½	.01½	Graham	3,700	.01½	.02½	.01½	.02½
1	1.95	1.19	Granada	14,690	1.30	1.32	1.22	1.28
1	.08	.06	Grozelle	....	.08	....	....	....
1	.27	.24	Halcrow Swayze	2,000	.26	.26	.25½	.26
1	.04½	.02	Harker	4,000	.03½	.03½	.03	.03
1	.01½	.00½	Hilltop	5,000	.00½	.01	.01	.01
5	8.75	6.00	Hollinger	4,835	6.90	7.15	6.75	6.90
1	.95	.61	Howey Gold	15,575	.66	.67½	.64	.64
No	4.25	3.10	Hudson Bay	1,651	3.90	4.00	3.50	3.85
No	.40	.25	Huronian	200	.37	.35	.33	.33
No	11.12	8.00	Int. Nickel	28,829	10.12	10.12	9.50	9.75
1	.02	.00½	Jackson Manion	2,100	.01	.01	.01	.01
1	.35	.20	Keeley	22,00	.35	.30	.30	.30
1	.02	.00½	Keora Mines	3,000	.01	.00½	.00½	.00½
1	.76	.48	Kirk. Hud. Bay	1,300	.55	.55	.48	.48
1	.02½	.00½	Kirk. Hunton	5,500	.00½	.00½	.00½	.00½
1	.52	.30	Kirkland Lake	7,850	.35	.36	.31½	.35
1	.03	.01½	Kirkland Premier	5,500	.02½	.02½	.02½	.02½
1	.22½	.12	Kirk. Townsite	9,500	.14½	.14	.12	.12
20c	.01½	.00½	Koot. Florence	11,000	.00½	.00½	.00½	.00½
1	*.01½	.01½	La Rose	....	....	....	....	....
1	.18	.08	Lake Maron	15,000	.15	.15	.12	.13
1	.35	.18	Lakeland	....	.20	....	....	....
1	40.00	30.75	Lake Shore	9,504	32.25	34.00	31.40	31.50
1	.07½	.02½	Lebel Oro	30,400	.06½	.07½	.05½	.05½
1	.36½	.20	Macassa	40,450	.32½	.33	.30	.30
1	.09½	.05	Malartic	13,300	.08	.08½	.07	.08
1	.02½	.01	Malrobic	50,000	.01½	.01½	.01	.01½
No	.08	.02½	Mandy	....	.04	....	....	....
No	.03	.01½	Manitoba Basin	31,500	.01½	.01½	.01½	.01½
5	27.60	21.20	McIntyre	1,735	22.55	23.30	22.10	22.75
1	.50	.30	McKinley	112	.40	.41	.41	.41
No	.08	.02½	McLeod River	509,000	.03½	.03½	.02½	.03
1	.09	.03	McMillan	....	.06½	....	....	....
No	.75	.46	McWatters	2,705	.57	.58	.50	.58
1	.32	.15	McVittie	20,400	.26	.30	.25½	.28½
5	1.00	.06	Mentor Exp. & Dev.	....	1.00	....	....	....
No	1.80	1.20	Mining Corp.	10,025	1.41	1.47	1.35	1.40
1	.03	.01½	Moffatt Hall	30,800	.02	.03	.01½	.02
1	.06½	.02	Moneta	500	.02½	.04	.04	.04
1	.40	.12	Moss	74,250	.14½	.17	.13½	.15
1	.02½	.00½	Murphy	4,000	.01½	.01½	.01½	.01½
No	.05	.02½	Newbec	11,400	.03	.03½	.03	.03
1	.06	.01½	Night-Hawk Penn.	....	.04	....	....	....
5	1.95	1.15	Nipissing	1,400	1.60	1.60	1.50	1.55
No	25.50	19.75	Noranda	7,784	23.25	23.25	22.00	22.20
No	.52	.32½	Nor. Canada	....	.37	....	....	....
No	.23	.20	Normont-Gold	11,100	.22½	.22½	.22	.22½
No	.02½	.01	Old Colony	45,000	.01½	.02	.01½	.02
1	.14	.05	Osisko	1,000	.08	.08	.08	.08
1	.21	.11	Parkhill	34,200	.20	.20½	.20	.20½
1	.03½	.01½	Pawnee Kirk.	1,000	.02½	.02½	.02½	.02½
1	.75	.54	Pend Oreille	100	.70	.63	.63	.63
1	.01½	.00½	Peterson Cobalt	3,000	.01½	.01½	.01	.01
1	6.15	4.30	Pioneer Gold B.C.	3,110	5.60	5.85	5.50	5.70
1	.01½	.00½	Porcupine Crown	1,000	.01	.00½	.00½	.00½
1	.01	.00½	Potter Doal	1,000	.01	.00½	.00½	.00½
1	*.12	.12	Powell Rouyn	....	....	....	....	....
1	.82	.60	Premier Gold	3,000	.70	.70	.68	.70
1	.02½	.01	Preston E. Dome	13,500	.01½	.01½	.01	.01
No	.95	.70	Prospectors Air's	....	.70	....	....	....
No	*1.00	1.00	Quebec Pros.	....	....	....	....	....
No	.15	.03	Quemont	2,975	.07	.11½	.09½	.10½
1	.02½	.00½	Ribago	11,000	.00½	.00½	.00½	.00½
1	.03	.01	Ritchie	500	.01½	.01½	.01½	.01½
1	.04	.01	Robb Montbray	1,500	.02	.02	.02	.02
1	1.21	.75	San Antonio	11,452	.90	.90	.82	.86
1	.08	.03	Seven Troughs	1,000	.03	.03	.03	.03
1	.54	.33	Sherritt Gordon	13,263	.44	.44	.42	.42
1	1.77	1.25	Siscoe	55,355	1.41	1.44	1.35	1.37
1	.10½	.04	South Keora	5,000	.04½	.04½	.04	.04
No	.06	.01½	Stadacona	163,000	.03	.03½	.02½	.03½
1	.14	.07	St. Anthony	7,000	.11½	.13	.10½	.11½
No	1.07	.60	Sudbury Basin	8,875	.95	.95	.85	.85
1	.03	.00½	Sudbury Contact	2,000	.02½	.02½	.02½	.02½
1	.01½	.00½	Sudbury Mines	500	.00½	.00½	.00½	.00½
1	.38½	.20	Sullivan	13,650	.26	.28	.26	.26
1	1.21	.72	Sylvanite	29,625	.86	.86	.79	.80
1	.03½	.01½	Tashota	3,000	.02	.01½	.01½	.01½
	.18½	.15½	Tashota Goldfield	....	.18½	....	....	....
1	5.10	3.70	Teck Hughes	12,872	4.10	4.12	4.00	4.08
1	.10	.03	Thom. Cadillac	1,200	.04	.04½	.03	.04½
1	.20	.10	Towagmac	1,100	.17½	.16	.15	.16
1	2.00	1.10	Treadwell	1,600	1.50	1.40	1.25	1.25
1	.08	.04	United Kirkland	1,500	.04	.06½	.06	.06
No	.06½	.02½	Vacuum Gas	72,500	.03	.03	.02½	.02½
No	2.40	2.30	Venezuela Gold	....	2.35	....	....	....
No	1.28	.80	Ventures	30,880	.99	1.05	.96	.96
1	.22	.09	Vickers	5,800	.17½	.17	.17	.17
1	.41½	.20	Vipond	4,950	.35	.35	.33	.34
No	.60	.35	Waite Ackerman	300	.50	.42	.40	.40
1	.04½	.03	White Lake	1,500	.03½	.03½	.03	.03
1	.08	.02	Wiltsey Coughlan	4,500	.06	.05½	.05	.05
1	.12	.07	Wood Kirkland	500	.07	.08	.08	.08
No	5.05	3.73	Wright-Hargreaves	21,560	4.25	4.30	4.10	4.14

OIL STOCKS

Par Val.	Range 1933 High	Low	Company	Sales	Close Mar. 20 (or last)	High for week	Low for week	Close Mar. 27
No	.12	.08	Acme Gas & Oil	3,500	.09	.08½	.08	.08
1	.82	.60	Ajax	950	.62	.65	.61	.65
1	.10	.05	Alta. Pacific	1,000	.10	.08½	.08½	.08½
1	.07½	.06	Amalgamated	4,892	.07	.06½	.06	.06
No	.07	.04½	Associated	500	.04½	.05½	.05½	.05½
No	.02½	.01	Baltac	2,000	.01½	.01½	.01½	.01½
1	*.05	.02½	Brit. Dominion	....	.03½	....	....	....
No	.35	.25	Calgary & Ed.	....	.33	....	....	....
1	.05	.03	Calmont	700	.03	.03	.03	.03
1	.06	.03½	Common. Pete.	1,500	.04	.03½	.03½	.03½
No	.20	.05	Dalhousie	....	.11	....	....	....
No	.02	.02	Devenish	....	.02	....	....	....
No	*.02	.00½	Dome Oil	....	....	....	....	....
No	.08	.05½	East Crest	....	.08	....	....	....
	.25	.25	Erie Gas	....	.25	....	....	....
No	.00½	.00½	Fabyan Pete	46,000	.00½	.00½	.00½	.00½
No	.10	.10	Foothills	....	.10	....	....	....
No	.05½	.04	Freehold	3,100	.05½	.05½	.05	.05
1	*.02	.00½	Great West	....	....	....	....	....
No	*.06½	.03	Hargal	....	....	....	....	....
No	*.05	.02	High Sarcee	....	....	....	....	....
No	.45	.30	Home	1,575	.35	.41	.35	.41
No	*.05	.01½	Homestead	....	....	....	....	....
1	.20	.10	Homest'd O. & G.	2,200	.12	.12	.10½	.10½
1	*.01	.00½	Illinois Alberta	....	....	....	....	....
No	*.02½	.00½	Lethbridge	....	....	....	....	....
No	*.10	.04	Lowery	....	....	....	....	....
No	*.02	.00½	Madison	....	....	....	....	....
1	.21	.14	Mayland	....	.20	....	....	....
No	*.04	.01½	McD. Segur Ex.	....	....	....	....	....
1	*.04	.01	McD. Segur N.	....	....	....	....	....
1	.28	.26	McLeod	200	....	.26	.26	.26
No	.09½	.07½	Mercury	11,800	.08	.08½	.08½	.08½
No	.16	.13	Merland	2,500	.14	.14	.13	.13
No	*.15	.08½	Mill City Pete	3,150	.15	.18	.16	.17
1	.18	.12	Model	....	....	....	....	....
1	*.05	.04	Monalta	....	....	....	....	....
1	*.07	.03	Moose Mountain	....	....	....	....	....
1	*.01	.01	New Federal	....	....	....	....	....
5	.20	.09	Nordon	26,225	.10	.13½	.11	.12½
1	.04	.02½	Oil Selections	4,500	.03½	.03½	.03½	.03½
No	.06	.05½	Okalta	....	.05½	....	....	....
No	.31	.20	Olga Gas & Oil	3,000	.28½	.25½	.24	.25
No	.03½	.01	Penn. Pete	5,000	.01½	.01½	.01½	.01½
1	.17	.15	Petrol Oil & Gas	500	.16	.15	.15	.15
No	*.14	.08	Ranchmen's	....	....	....	....	....
1	*.01	.00½	Regent	....	....	....	....	....
No	*.02½	.01	Richfield	....	....	....	....	....
No	7.10	6.00	Royalite	160	6.50	6.50	6.00	6.00
1	.11	.06	Sarnia Oil	3,900	.07	.07	.06½	.07
1	*.03	.01	Signal Hill	....	....	....	....	....
No	.07	.04	South West Pete.	500	.05½	.04	.04	.04
1	*.30	.10	Spooner	....	....	....	....	....
No	.15	.12	Sterling Pacific	300	.15	.14	.13	.13
	.43½	.43½	Trinidad Oil	....	.43½	....	....	....
1	*.11	.07½	Turner Valley	....	....	....	....	....
No	.08	.03	United	....	.03	....	....	....
1	*.09½	.03	Vulcan	....	....	....	....	....
No	.01	.00½	Wainwell	....	.00½	....	....	....

VANCOUVER STOCK EXCHANGE
(Transaction for Week to March 21)

Par Val.	Range 1933 High	Low	Company	Sales	Close Mar. 20 (or last)	High for week	Low for week	Close Mar. 27
25c	*.00½	.00½	Bayview	....	....	....	....	....
1	.75	.60	B. C. Silver	....	.75	....	....	....
20c	.05½	.02½	Beaver Silver	700	.04	.04½	.04	.04½
25c	.03	.02½	Bluebird	....	.02½	....	....	....
No	2.40	1.38	Bralorne	6,053	2.38	2.40	2.17	2.20
1	.10½	.05	Bridge River Cons.	95,950	.09½	.10½	.09½	.09½
100	89.00	89.00	B. C. Electric Pfd.	....	89.00	....	....	....
No	2.85	2.00	Cariboo Gold	2,700	2.29	2.28	2.11	2.19
No	7.50	5.60	Coast Breweries	270	6.75	6.75	6.75	6.75
25c	.01	.00½	Cork Province	5,000	.01	.01	.01	.01
1	.02½	.02½	Cotton Belt	....	.02½	....	....	....
1	.04	.00½	Dalhousie Mines	....	.03	....	....	....
1	.44	.28	George Copper	2,100	.35	.44	.40	.42
50c	*.02	.01	Geo. Enterprise	....	....	....	....	....
1	.03½	.02	Georgia River	32,300	.03½	.06½	.02	.02½
1	.22	.16	Golconda	2,000	.18	.22	.20	.20
50c	.05½	.03½	Grandview	19,300	.04½	.05½	.05	.05
1	.00½	.00½	Independence	....	.00½	....	....	....
1	.01½	.01	Indian Mines	9,000	.01½	.01½	.01½	.01½
1	.11	.08½	Inter. Coal	525	.10	.10	.10	.10
1	*.21	.21	Jack Waite	....	....	....	....	....
25c	.00½	.00½	Kootenay King	....	.00½	....	....	....
10c	.02	.01	Lucky Jim	....	.01½	....	....	....
5c	*.12	.04	Metaline Metals	....	....	....	....	....
1	.01½	.00½	Morton Woolsey	....	.01½	....	....	....
50c	.03½	.00½	National Silver	27,500	.02½	.03	.02½	.02½
50c	.07	.02½	Noble Five	24,300	.06½	.06½	.05½	.05½
50c	.01	.00½	Oregon Copper	....	.00½	....	....	....
1	6.10	4.30	Pioneer Gold	4,160	5.70	5.90	5.60	5.60
50c	.08½	.04½	Porter Idaho	8,000	.08½	.08	.07	.07
No	.00½	.00½	Premier Border	2,000	.00½	.00½	.00½	.00½
No	.20	.15	Reeves McDonald	200	.15	.17	.17	.17
1	.77	.60	Reno Gold	19,875	.64	.66	.60	.64
1	.02½	.01	Rufus Argenta	550	.01½	.01	.01	.01
1	.03½	.02½	Ruth Hope	....	.03½	....	....	....
1	*.05	.02	Silverado	....	....	....	....	....
25c	.04½	.01	Silver Crest	12,025	.04½	.04½	.03½	.03½
50c	.01½	.01	Snowflake	10,000	.01½	.01½	.01	.01
1	.25	.25	Sunloch	....	.25	....	....	....
No	*.06	.05	Vanalta	....	....	....	....	....
20c	*.02½	.01	Wellington	....	....	....	....	....
1	.05	.03	Whitewater	200	.04½	.04½	.04½	.04½

*Quotations for 1932. No sales recorded in 1933 to date.

DIVIDEND PAYERS

	Rate	Yield %
Ajax Oil	12c.	....
Coniagas‡	12½c.	....
Coniaurum†	3c.	....
Cons. Smelters*	10%	....
Dome Mines	$1+30c	8.38
Falconbridge	10c.	....
Hollinger	65c.+10c.	10.87
Howe Sound	40c.	....
Lake Shore	$2+$1	9.52
McIntyre	$1.50	6.59
McLeod Oils‡	5c.	....
Merland Oils†	2½c.	....
Noranda	$1.10	....
Petrol Oil	2c.	....
Premier	12c.	17.14
Pioneer, B.C.	24c.	4.21
Royalite	$1.50	....
Siscoe	12c	8.75
Sterling Pacific Oil†	2½c.	....
Sylvanite	4+1c.	6.25
Teck Hughes	60c.	14.70
Wright-Har.	20c.	4.83

*Stock. ‡Interim. †Initial.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.
March 28, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	81.00	5.95
Alberta	5	1 July, 1948	1 July	88.00	6.60
Alberta	6	1 Mar., 1947	1 Sept.	97.00	6.33
*British Columbia	4½	1 Oct., 1953	1 Apr.	83.50	5.90
*British Columbia	5	15 Jan., 1948	15 Aug.	89.00	6.12
British Columbia	6	15 Feb., 1947	15 Aug.	98.00	6.21
Manitoba	4	1 July, 1947	1 July	79.50	6.15
*Manitoba	5	2 Dec., 1959	2 June	89.00	5.81
Manitoba	6	1 Apr., 1947	1 Apr.	97.00	6.33
*New Brunswick	4	1 June, 1948	1 June	89.30	5.00
*New Brunswick	4½	15 June, 1936	15 June	99.85	5.00
New Brunswick	5½	1 May, 1950	1 May	103.00	5.24
*Nova Scotia	4½	15 Nov., 1948	15 May	97.50	4.72
Nova Scotia	5	1 May, 1943	1 May	101.50	4.81
*Ontario	4½	1 Sept., 1944	1 Sept.	101.00	4.89
Ontario	5	15 Oct., 1948	15 Apr.	102.50	4.77
Ontario	5½	1 Feb., 1947	1 Aug.	106.75	4.83
P. E. I.	4	1 Apr., 1939	1 Apr.	94.85	5.00
P. E. I.	6	1 May, 1947	1 May	109.15	5.10
*Quebec	4½	1 May, 1961	1 May	97.50	4.40
*Saskatchewan	4½	1 Sept., 1955	1 Sept.	79.00	6.25
Saskatchewan	5	1 Oct., 1950	1 Apr.	85.00	6.44
Saskatchewan	6	15 Mar., 1952	15 Sept.	94.00	6.55
*Newfoundland	5	31 Dec., 1952	30 June	69.00	8.17
*Newfoundland	5½	1 July, 1939	1 July	75.00	10.98
*Newfoundland	6½	30 June, 1936	30 June	83.00	13.12
Cities					
*Montreal	5	1 Sept., 1963	1 Sept.	101.50	4.91
*Toronto	4½	1 Jan., 1955	1 July	96.50	4.76
*Vancouver	5	15 Jan., 1970	15 July	83.00	6.17
Winnipeg	5	1 Mar., 1944	1 Sept.	90.15	6.23
*Edmonton	5½	1 Apr., 1947	1 Apr.	82.85	7.50
Calgary	6	1 Jan., 1943	1 July	79.60	8.00
Halifax	6	1 July, 1951	1 July	105.65	5.50
Saint John	5	15 Dec., 1950	15 June	97.70	5.20
Regina	4½	1 July, 1950	1 July	71.00	7.50
Victoria	5	21 July, 1945	21 July	87.30	6.50
Quebec	5	1 June, 1948	1 June	101.50	4.86

*Payable in New York.

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Says Mortgagors Relief Act Departs from Sound Base

Wilfrid Heighington, M.P.P., in Ontario Legislature, Expresses View Interference With Contractual Relations Tends to Delay Recovery of Building

In the Ontario Legislature on March 21 Wilfrid Heighington, M.P.P., on the second reading of the Mortgagors and Purchasers Relief Act, expressed the view that the Act apeared to be departing from the sound principle that an even balance should be maintained between debtor and creditor and that good government was impossible if legislatures did not support the sanctity of contractual rights and the preservation of property.

Mr. Heighington pointed out that lenders on mortgagors came from all walks of life including those who had little wealth and those who had a great deal. Mortgages were part of the bed-rock of the economic structure as by statute they were declared appropriate for trust funds and bond issues of corporations, municipalities and governments were based on them.

"During the 1932 session," continued Mr. Heighington, "we passed an act which precludes any forfeiture for default in payment of principal money, except with leave of the courts. That act undoubtedly had some retarding effect upon our chances of recovery of normal times. In spite, however, of its unusual and far-reaching terms, it must be conceded that it provided a very considerable amount of relief.

"Now we are asked to do a very different thing. Not just to keep principal money more or less stationary. We are requested to make a most serious inroad upon contractual rights—to withhold, in certain events, the right to recover interest, income, carrying and maintenance charges. . . .

"We have obtained vast benefit from the investment of British and foreign capital here in Ontario which has gone far to build up our country and its institutions. Will we continue to receive these benefits for a year, a month or a day, if our people, our neighbors, the world did not have absolute confidence that we will lend our courts for the enforcement—not the destruction — of contractual rights, and maintain a firm belief in the integrity of our legislature? . . .

Discriminates Between Creditors

"The specific points on which I criticize this act are as follows:

1. It discriminates between one class of creditor and another, depriving some of lawful remedies, and setting up unjust preferences for others.
2. It removes some of the operating profit of trust funds, fraternal benefit organizations, loan and trust corporations, and a large part of those life insurance companies, tending to bring prejudicial results to these ventures and to many investors of all classes.
3. It delays any revival of the building trade.
4. In an attempt to preserve the 'equity' of the debtor, it may destroy the equitable rights of the creditor. Where equities are equal the law prevails. This may even remove the remedy at law.
5. In so far as it withholds the use of our courts to enforce just rights it may result in the withdrawal of investment funds from Ontario and loss of credit and good standing of this province in the eyes of the world.
6. By penalizing the unfortunate debtor with the expenses of presenting his right to the court, and causing further loss to the creditor by payment of his expenses in protecting his investment, it drags both parties to the contract into further debt and difficulty. It places the burden of relief in particular cases on the shoulders of an individual rather than the taxpayers as a whole.

May Not Be Legal

7. It is in possible conflict with the provisions of the B. N. A. Act which leave the subject of 'interest' exclusively to the Dominion Parliament. Not even property and civil rights within the provinces can permit the province to do indirectly that which it is not permitted to do directly. If we are to do something let us make sure it is authoritative and effective.
8. For that which is ascertained and simple in our economic system, it substitutes that which is complicated and discouraging resulting in loss of confidence.
9. It delegates to the county judges the duties and responsibilities vested in and which should be exercisable by this legislature alone.
10. In the balance of convenience, the greatest good to the greatest number, it is conclusively shown that the number who will be benefitted is overwhelmingly outnumbered by those who will lose by it—in some cases the very basis of their livelihood.

"I, therefore, decline, Mr. Speaker, to go on record as in favor of this Bill in detail or in principle and definitely record my refusal to accept responsibility for it."

Auto Financing Increases Slightly in February

There was a slight increase in financing of both new and used cars in February compared with the previous month but the totals are considerably less than in February, 1932. New cars and trucks financed in February number 940 for an amount of $530,449 compared with 859 for $451,752 in January and 1,389 cars for $727,705 in February, 1932. Used cars financed numbered 2,279 for an amount of $631,147 compared with 2,781 for $801,663 in February, 1932.

Total cars financed were 22.8 per cent less in number and 24.0 per cent in value compared with February a year ago, 3,219 cars being financed for $1,161,596 this year compared with 4,170 cars for $1,529,368 in February last year.

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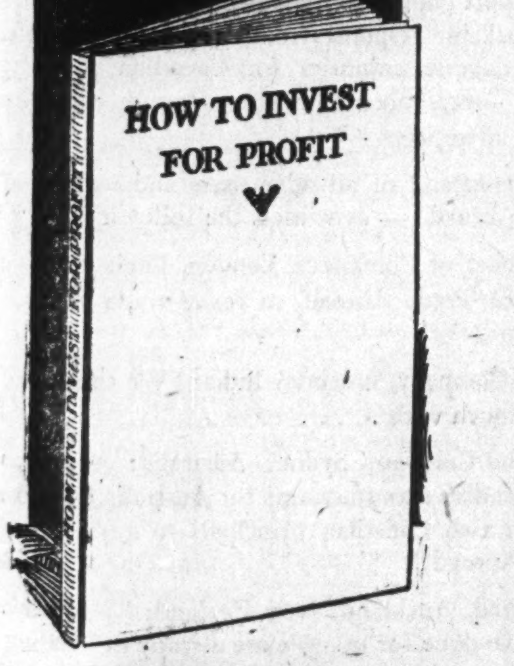

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING MARCH 27

Range 1933 High	Low	Divd. Rate in $	Yield in % Mar. 25		Sales	Close Mar. 20 (or last)	Week Ending Mar. 27 High	Low	Close
				A					
.50	.12			Abitibi	2055	½	.50	.15	.15
2½	1			Do. pref. 6%	235	2½	2	1½	1½
.70	.70			Do. cert of dp	30		.70	.70	.70
x80	80	7		Acme F. D'y p					
x5	4½			Agnew Surp.					
60	60	7		Do. pref.		60			
4	3½			Alta. Pac. Gr.	30	3½	4	4	4
25	20			Do. pref.	5	23½	25	25	25
x3½	1½			Amal. Electric					
4	3			Do. pref.	5	4	3	3	3
†3½	3½			Anglo. N. Hold.					
.25	.15			Asbestos		.25			
.60	.50			Do. pref.		.50			
5	3½			Assoc. Brew.	105	3½	4	4	4
72	65	7	10.8	Do. pref.		65			
x3	3			Assoc. Can.					
†69	65			Assoc. Tele.					
x30	16			Atlan. Sugar					
x120	92			Do. pref.					
				B					
130	128	10	7.8	Bk. Can. Nat.	4	128	128	128	128
189	162	10	6.1	Bk. Montreal	140	164½	165	163	164
265	245	14	5.7	Bk. N. Scotia	22	245	245	245	245
172	151	10	6.6	Bk. Toronto	2	158	151	151	151
x10½	10½			Barcelona					
2½	1			Bathurst Pr.	25	1½	1½	1½	1½
x1½	½			Do. (B)					
†26	26			Bawlf Grain					
x20	15			Do. pref.					
4	3			Beath & Sons		3			
5	3½			Beatty Bros. A		4½			
57	56	6	10.7	Do. pref.	35	56	56	56	56
1.50	.70			Beauharnois	1455	.80	.85	.75	.80
x63	60	7		Belding Cort.					
89	89	7	7.9	Do. pref.		89			
100	80	6	6.8	Bell Telephone	647	88½	88½	86	86½
3½	3½			Biltmore Hats		3½			
65	62	7	11.3	Do. pref.		62			
x4	1½			Bissell, T. E.					
†97	88			Do. pref.					
x8	2			Blue Ribbon					
12	10	2	18.1	Do. pref.		11			
20	18½	2	10.8	Brant. Cd. pf.	22	20	19½	18½	18½
10	7			Brazilian Tr.	4005	8½	8	7½	7½
.85	.55			Brew. & Distil.		.85			
.75	.12			Brewing Corp.	100	.15	.75	.50	.75
1½	¼			Do. pref.	40	¼	1½	1½	1½
8½	7½	80c	9.7	Brit. Amer. Oil	1951	8½	8½	8	8½
1½	1			B.C. Packers	55	1½	1½	1½	1½
12	6			Do. pref.	185	12	12	12	12
17½	14	2	12.9	B.C. Power (A)	576	15½	15½	15	15
4½	3			Do. (B)		4			
4½	3			Bruck S. Mills		3			
12½	10½	1	8.5	Building Prod.	110	12	11½	11½	11½
28	20	2	8.5	Burt, F. N.	90	23½	23½	23½	23½
				C					
x125	120	6		Calgary Pr.					
1½	1½			Canada Bread		1½			
68	40	4	10	Do. pref. A.		40			
10	10			Do. pref. B.		10			
7½	5½	60c	10.2	Canada Bud	675	6½	6½	5½	5½
3½	2½			Canada Cement	390	3	3	2½	3
20½	14½			Do. pref.	150	16½	17	15	17
b11½	7½	1	8.8	Canada Dry	8800	10½	11½	9½	10½
4	2			Can. Forg. (A)		4			
x7½	2			Do. (B)					
x15	15			Canada Iron					
†80	75	3		Do. pref.					
425	425	20	4.7	Canada Life		425			
14½	13½	1.50	10.7	Can. Malting	1284	14	14	14	14
18	12	80c	6.7	Can. Nor. Pr.	5	12	12	12	12
75	65	7	9.3	Do. pref.	36	71½	75	75	75
†6	¼			Can. Paving					
10	4			Do. pref.		4			
153	125	10	8	Can. Perman.	86	128	128½	125	125
x1.00	.50			Can. Pr. & Pa.					
1½	1¼			Can. Steamsh's	100	1½	1½	1½	1½
4	2			Do. pref.	95	2½	2½	2½	2½
15½	13½	1.60	10.8	Can. Vinegars	50	14½	14½	14½	14½
x55	28½			Can. W. Cable					
8½	7			Do. (B)					
x1½	1½			Can. Bakeries					
5	5			Do. pref.		5			
140	124	10	7.8	Can. Bk. Com.	287	128	130	124	124
14½	10	1.25	12.5	Can. Bronze	65	10	10	10	10
81	78½	7	8.7	Do. pref.		80			
3½	2½			Can. Canners		3			
55	50	6	11.9	Do. 1st pfd.	5	52	50½	50	50
5½	4	20c	4.8	Do. 2nd pfd.	135	4½	4½	4	4
4½	3½			Can. Car & F'y	75	3½	3½	3½	3½
12	10	1.75	16.3	Do. pref.	125	10½	11	10½	10½
9½	6½			Can. Celanese		7			
84	70	7	9.8	Do. pref.		71			
16	8	2	25	Can. Convert.		8			
‡50	45			Can. Cottons					
47	47	6	12.8	Do. pref.		47			
13½	10	1		Can. Dredge	125	10	10½	10½	10½
†92	92	7		Do. pref.					
x68	60	6		Can. Fairb. pf.					
2½	2½			Can. For. Inv.		2½			
35	35	2½		Do. pref.		35			
100	100	4	4	Can. Gen. Elec.		100			
56½	52½	3.50	6.5	Do. pref.	13	52½	54	52½	52½
x3½	3½			Can. G. Inv. T.					
41	34	6	15.9	Can. Hyd. E. p	75	37	38	37	38
2½	1½			Can. Ind. Alc.	65	1½	1½	1½	1½
1.75	.90			Do. (B)	5	1.00	1.00	1.00	1.00
†5.00	3.95			Can. Int. I. Tr.					
†70	64½			Do. pref.					
x21	15	1		Can. Lt. & Pr.					
x1½	1			Can. Locomo.					
‡25	5			Do. pref.					
b1½	½			Can. Marconi	1211	1	1½	⅞	⅞
10	6½	50c	7.4	Canadian Oil	15	6½	6½	6½	6½
96	90	8	8.9	Do. pref.		90			
16½	9½			Can. Pacific	15037	10½	10½	9½	9½
1	1			Can. Vickers		1			
5	5			Do. pref.		5			
2½	1½	20c	10	Can. Wineries		2			
4½	3			Can. Wire Box		3½			
7	5½			Catelli Mac A.		7			
†5	5			Do. (B)					
†301	290	8		Cent. Can. L'n					
.90	.55			Chem. Research	200	.55	.55	.55	.55
.80	.20			Claude Neon	25	.25	.20	.20	.20
5½	3			Cockshutt Plow	405	4½	4½	4½	4½
½	½			Comm. Alcohol	100		½	½	½
1	1			Conduits	50		1	1	1
†94	84			Do. pref.					
4½	2			Cons. Bakeries	621	4	4½	3½	3½
1½	1½			Cons. Industries		1½			
x4	4			Cons. Paper					
5	3½			Cons. Press		4			
x35	30			Cons. Sand. p.					
72½	54	10%▲		Cons. Smelters	3226	69½	68½	65	66
181	170	10	5.6	Consumers' Gas	72	178	180	176	178
‡35	30			Cooksville Co.					
‡85	85			Do. pref.					
†20½	15			Corpor. Steel					
‡90	90			Corr. P. Box p.					
1½	1½			Cosgrave Brew.	30	1½	1½	1½	1½
3	2			Cosmos Imp.		2			
47½	46½	3.50	7.4	Do. pref.		47			
3½	2			Crown Dom. Oil		2			
20	20	6		Crow's N. Coal		20			
				D					
1½	1½			David & Fre. B.		1½			
†12½	12½			De Havilland					
x15	10			Do. pref.					
†9	5			Disher Steel					
†10	10			Do. pref.					
5½	4			Distill-Seagram	345	5	5	4½	4½
5	5			Dodge (A) pf.		5			
x2	1½			Do. (B)					
148	130	10	7.7	Dom. Bank	85	136	134	130	130½
18	12½	2	12.9	Dom. Bridge	416	16	16	15	15
x4	4			Dom. Coal					
12	10			Dom. Engineer		11½			
58	35	5	11.4	Dom. Glass	95	45	45	44	44
102	100	7	7	Do. pref.		100			
2½	1			Dom. Motors	55	1½	1	1	1
2	1½			Dom. Pr. Stubs		2			
1.12	.50			Dom. St. & C B	90	.80	.80	.70	.70
17½	12½	1.20	8	Dom. Stores	35	15	15	15	15
1½	1			Dom. Tar & Ch.	10	1	1	1	1
9	5			Do. pref.		6			
52½	42	4	9.5	Dom. Textile	20	43	42	42	42
97½	95	7	7.2	Do. pref.		97½			
†12	10			Donnacona					
1½	½			Dryden Paper	30	1	1	1	1
1	1			Duff. Paving		1			
10	5			Do. pref.		6			
				E					
x30	3			East. Koot. Pr.					
†97	94½			Do. pref.					
5	2½			East. Dairies		2½			
x9½	9½			East. Steel					
x74	74	7		Do. pref.					
‡34	34	2		East. Theatres					
†85	80	7		Do. pref.					
x1	1			Easy Washer					
8	7	75c	9.4	Economic Inv.		8			
†15	15			Edmonton D'y.					
†80	78½	6.50		Do. pref.					
x4	4			Enam. & Heat.					
8	5			Eng. Electric		8			
1½	1½			Do. (B)		1½			
				F					
4	4			Fam. Players	25		4	4	4
x10	7½			Do. Vot. Tr.					
10	8½	1	11.1	Fanny Farmer		9			
23	23	2.40	10.4	Do. pref.		23			
†83½	75			Firstbrook Box					
8	6			Ford Motors A	787	6½	6½	6½	6½
1½	1½			For. Pr. Secs.		1½			
x9	4			Foundation Co.					
.30	.25			Fraser Cos.	75	.30	.30	.30	.30
x50	50			Front. Brew.					
x50	50			Do. pref.					
†8	5			Frost Steel					
x37	35			Do. pref.					
				G					
1.12	.70			Gen. St. Wares		1.00			
67½	40	2.40	4.8	Goodyear Tire.		.50			
91	81	7	8.3	Do. pref.	45	83½	83½	81	83½
†93½	93½			Gould Pumps, p					
½	½			Gt. W. Saddlery		½			
x8	5			Do. pref.					
7½	4			Gurd, Chas.	60	5½	5	5	5
x106	100	7		Do. pref.					
2½	1½			Gypsum, Lime.	565	1½	1½	1½	1½
				H					
3½	2½			Ham. Bridge	10	3	3	3	3
x60	44½			Do. pref.					
5½	5			Ham. Cot. pf.		5			
2½	2			Ham. U. Theat.		2			
x53	30	7		Do. pref.					
½	½			Hayes Wheel		½			
x4	4			Do. pref.					
‡50	50			Hillcrest Coll.					
‡91	91			Do. pref.					
3	2			Hinde & Dauch		2			
†75	75			Holt Renfrew					
‡96½	90			Do. pref.					
½	½			Honey Dew		½			
1	½			Do. pref.		5			
2½	1½			H. Smith Pap.	100	1½	1½	1½	1½
12	12			Do. pref.	50	12	12	12	12
17	14½	2	12.7	Humberstone S		15½			
8	4½	50c	11.1	Hunt (A)		4½			
5	5	50c	10	Do. (B)		5			
102	80	7	8.7	Huron & E. Mt.		80			
18	14			Do. 20% pd.		16			
6	6			Hydro Electric	5		6	6	6
				I					
158	130	10	7.7	Imperial Bank.	36	133	133	130	130
9½	8	50c	6.1	Imperial Oil	4161	8½	8½	8	8½
8½	7	35c*	4.4	Imperial Tob.	815	7½	8	7½	8
†80	80	8		Inter. Coal, p.					
x6	6			Int. Hyd. E. A.					
100	98	7	7.1	Inter. Mill. pf.		99			
85½	84	6	7	Do. Series A.		85½			
11½	8			Inter. Nickel	28829	10½	10½	9½	9½
x4	4			Inter. Paints					
b1½	½			Int. Pa. & Pr. A	100	½	1	1	1
b1½	½			Do. (B)		½			
b½	½			Do. (C)		½			
b4½	2½			Do. pref.	500	3½	3	2½	2½
12½	10½	1	8.9	Inter. Pete.	1485	11½	11½	10½	11
x2½	2½			Inter. Power					
x20	20			Do. pref.					
7	6½			Int. Util. (A)	95	6½	6½	6½	6½
1½	1			Do. (B)		1½			
				J					
†40	40	1		Jam. Pub. Ser.					
75	75	7	9.3	Do. pref.		75			
				K					
1½	1			Kelvinator		1			
57	57	7	12.3	Do. pref.		57			
				L					
6	5			Lake of Woods	70	6	6	5	6
34	30			Do. pref.	40	30	33	30	30
80	80	6	7.5	Landed Bank		80			
40½	36	3	7.9	Laura Secord	10	38	38	38	38
1½	1½			Lindsay, C. W.		1½			
25	25			Do. pref.	25	25	25	25	25
12	10½	80c	7.2	Loblaw (A)	455	11½	11½	11½	11½
11½	10½	80c	7.6	Do. (B)	260	10½	10½	10½	10½
‡2½	2½			Loew's, London					
				M					
†25	19			MacKin. Steel					
†95	90	3.50		Do. pref.					
3½	3½			Manitoba Pr.		3½			
x5	2			Maple Leaf					
6½	5			Do. pref.		6½			
6	6			Marcus Loew's		6			
35	35			Do. pref.		35			
3½	2½			Massey-Harris	1985	3½	3	2½	3
9	7	60c	7.7	McColl Fron.	485	8½	8	7½	7½
61	56	6	10	Do. pref.		60			
†45	35			Mexican L & P					
‡35	25			Mercury Mills					
‡89	58½			Do. pref.					
†40½	40			Mitchell, J. S.					
x105	105	7		Do. pref.					
4½	2			Mitchell, Robt.		2			
†1	1			Monarch Knit.					
20	20			Do. pref.	55		20	20	20
x75	45			Montreal Cot.					
x75	65	7		Do. pref.					
½	½			Montreal Exhib		½			
x11	5			Mont. Is. Pr.					
32½	27½	1.50	5.1	Mont. L. & Pr.	2097	29½	29½	28½	29
x48	40	3+25		Montreal Loan					
43	42	3.20	7.5	Montreal Tele.	8	43	42½	42½	42½
100	84	9	10.7	Montreal Tram	50	92	90	84	84
7	5			Moore Corp.	165	5	5½	5	5½
79½	67	7	10.4	Do. pref. (A)	55	70	68	67	67
86½	80	7	8.7	Do. pref. (B)		80			
‡10	10			Mt. Royal Hot.					
‡49	49			Do. pref.					
½	½			Muirheads		½			
7	5			Do. pref.		7			
				N					
16½	14½	1.60	10.3	Nat. Brew.	930	16	16	15½	15½
29½	27	1.75	6.2	Do. pref.	80	29	28	27½	28
x½	½			Nat. Brick					
x3	3			Do. pref.					
16	15	2.40	16	N. Sew. Pipe A	120	15	15	15	15
9	5	80c	12.3	Nat. Steel Car	70	6½	6½	6½	6½
212	200	10	5	National Tr.	3	200	200	200	200
x10	10			Niag. W. Weav					
x20	16			Do. pref.					
1.50	1.00			North Star Oil		1.00			
3.00	3.00	35c	11.6	Do. pref.		3.00			
‡25	25			N.S. Steel, pf.					
				O					
116	100	8	6.9	Ogilvie Flour	5	112	115	115	115
115	108	7	6.1	Do. pref.	25	115	115	115	115
5½	4			Ont. Eq. 10% p	1	4½	4	4	4
105	105	6	5.7	Ontario Loan		105			
x7	5			Ont. Silknit					
†16	13			Ont. Steel					
‡105	105			Do. pref.					
½	½			Orange Crush		½			
x48	18			Do. (A)					
x½	½			Do. (B)					
88	84	6	6.8	Ott. L. H. & P.		84			
90	84	6.50	7.7	Do. pref.	10	85	84	84	84
8	8			Ott. Traction	100	8	8	8	8
				P					
53½	40	3	6.4	Page-Hersey	350	47	47	47	47
b2½	½			Paramount	7200	½	½	½	½
x20	20			Paton Mfg.					
†94	94	7		Do. pref.					
½	½			Pelissiers		½			
†30	25			Do. pref.					
28	20	3	12	Penmans		25			
75	65	6	9.1	Do. pref.	25	65	66½	66	66
9½	8			Photo Eng.	125	8	8½	8	8½
†70	64	7		Porto Rico Pr. p					
b7½	4			Postal Tele. p.					
8½	6			Power Corp.	855	7	7	6½	6½
38½	38½	6	15.6	Do. pref.		38½			
1	1			Prairie C. Oil.		1			
16	8			Pressed Metals	67	10	8½	8	8½
4½	2			Price Bros.		2			
x2	2			Do. pref.					
				Q					
14	11½	1	8.3	Quebec Power.	170	13	12½	11½	12
				R					
95	85	7	8.2	Real Estate L'n		85			
.65	.50			Regent Knit.		.50			
x10	5½			Reliance Grain					
8½	7	1	12.5	River. S. Mills		8			
5	5	1	20	Robinson Cone		5			
1	½			Rogers Majes.		½			
143	129	10	7.7	Royal Bank	348	129	131	129	129½
†84	75			Ruddy, E. L. p					
x33	32½			Russell Motor					
45	30	7		Do. pref.		30			
				S					
x4	3			Sarnia Br. A.					
x1	1			Do. (B)					
3½	2½			Service Station	160	3	3½	2½	2½
25	20			Do. pref.		22			
13½	9½	50c	4.9	Shawinigan	2214	11½	11½	10½	10½
8	4			Sher.-Wms.		4½			
60	40			Do. pref.		40			
x17	5			Simon & Son.					
x80	60			Do. pref.					
12	6			Simpson, Ltd.	15	7½	7½	7½	7½
†44½	36			Do. (A)					
x9	9			Do. (B)					
74	46½	6	12.9	Simpson, R., p.		46½			
16	12	1	6.7	So. Can. Pr.		15			
79	68	6	8.6	Do. pref.	73	70	71	70	70
.35	.15			St. Law. Corp.	10	.15	.20	.20	.20
1½	1			Do. (A)		1½			
15	15	1.50	10	St. Law. Flour		15			
x99½	70	7		Do. pref.					
4½	2½			St. Law. Pa. p	50	4½	4½	4½	4½
x6	4	50c		Stand. Chem.					
1	½			St. Pav. & Mat.		½			
x46	25			Do. pref.					
2½	1			Stand. Steel		1½			
†35	30			Do. pref.					
17½	14½	1.20	7.7	Steel of Can.	527	17	17	15½	15½
27	24½	1.75	6.9	Do. pref.	15	25	25½	25½	25½
x1½	½			Sterling Coal					
x300	290			Sun Life Ass.		290			
14	11½	1	8.3	Sup. Pete. ord.	440	12½	12½	12	12
13	11½	1	8.7	Do. com.		11½			
96	93	7	7.3	Do. pref.		96			
				T					
40	40			Tamblyn		40			
88	82	7	8.4	Do. pref.	5	85	83	83	83
10	10			Thayers, pfd.	20	10	10	10	10
3	1			Tip Top Tailors		3			
35	35			Do. pref.		35			
†22	10			Tooke Bros.					
15	15			Do. pref.		15			
14	12½	1		Tor. Elevators		13			
167	138	8	5.8	Tor. Gen. Tr.	20	160	138	138	138
98½	90	6	6.7	Toronto Mtge.		90			
x½	½			Traymore					
2	2			Do. pref.		2			
110½	107	7	6.3	Tuckett Tob. p	10	110	110½	110½	110½
1½	1			Twin City	20	1½	1½	1½	1½
b7½	7			Do. pref.					
x37	23			Do. (notes)					
				U					
4	2½			Union Gas	162	3	3	3	3
x100	85			Union Trust					
†8	8			United Fuel					
9½	5			Do. pref.	10	6	6	6	6
7	7			Un. Amuse. A		7			
19½	19½	2	10.2	United Secs.		19½			
				V					
2	2			Viau Biscuit	644	2	2	2	2
x75	59			Do. pref.					
				W					
7	4			Wabasso Cot.		4			
6½	4			Walker-Good.	1642	6½	6	5½	5½
10½	9½	1	10	Do. pref.	3958	9½	10½	9½	10½
1½	1½			Waterloo Mfg.		1½			
x80	75	7		W. Koot. Pr. p					
4	4			West. C. Flour.		4			
55	53½	3	5.6	Do. pref.		53½			
8	8			West. Grocers.	10		8	8	8
55	54	7	12.9	Do. pref.		54			
†91	85			W. Steel Pr. p					
20½	18	1	5.3	Weston Bisc.		19			
71	67	7	10.4	Do. pref.		67			
3	3			Windsor Hotel		3			
10	7			Do. pref.		7			
3½	1			Winnipeg Elec.	50	2½	3	3	3
8	5			Do. pref.	90	5	8	7	7
†46	46			Woods Mfg. p.					
				Z					
x1	1			Zimmerknit, c.					

x Quotations for 1932. No sales recorded in 1933 to date.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
▲ Stock dividend.
§ On account of arrears covering quarter ended June 30, 1932.
* Plus final dividend of 17½c. paid Mar. 31.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
March 28, 1933

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.25	.55
pfd.	2.50	2.90
Acadia Sugar 6%		
Acme Farmers Dairy 7% pfd.	59.25	62.50
Acme Glove pfd. bonus c.	5.25	8.25
Agnew Surpass 7% pfd.	59.50	65.00
Allens Beach 7% pfd. bonus c.	30.50	
Allens Coll. 7% pfd. bonus c.	30.50	
Allens London 7% pfd. bonus c.	30.50	
Allens St. Cath. 7% pfd. bonus c.	30.50	
Allens St. Clair 7% pfd. bonus c.	30.50	
Allens Toronto 7% pfd. bonus c.	16.25	
Andian Nat. Corp.	20.00	23.00
Atlantic Sugar "A" pfd.	70.00	80.00
B.C. Pulp & Paper pfd.	11.50	
Burns pfd. bonus com.	2.25	4.00
Canada & Dom. Sugar	20.00	22.00
Canada Mach. c.	2.75	5.00
Canada Mach. pf.	15.00	
Canada Pack. c.	8.75	11.00
Canada Packers 7% pfd.	74.00	
Canada Starch 7% pfd.	63.50	68.00
Canada Tea 7% pfd.	49.00	54.00
Canada Wire & Cable 6½% pfd. W.W.		43.00
Can. Industries c. "A"	73.00	
Can. Industries c. "B"	68.00	71.00
Can. Industries 7% pfd.	115.00	118.00
Can. Westing.	36.00	38.00
Claude Neon Gen. Adv. Units		14.00
Claude Neon Gen. Adv. c.		.50
Cons. Div. Standard Sec. pfd.	5.25	
Dom. Foundries & Steel 8% pfd.		63.00
Dom. Foundries & Steel c.	2.50	4.00
Dom. Mfrs. 7% pf.	60.50	69.00
Dunlop Tire 7% pfd.	35.00	39.00
Eastern Dairies Ltd. 7% pfd.		49.00
Edmonton Stockyards Units	38.50	52.00
Federal Grain 6½% pfd.	20.00	25.00
A. J. Freiman pfd.	26.00	35.00
Gen. Steel Wares pfd.	5.00	6.50
Goderich Elevator & Transit	4.00	5.25
Greening Wire 7% pfd.		59.00
Guelph Carpet 6½% pfd. bonus	63.50	72.00
Guelph Carpet c.	4.00	
Inter. Proprietaries "A"	22.00	23.50
Langleys Ltd. 7% pfd.	23.00	35.00
Loew's London c.	.35	.85
Loew's London 7% pfd.	3.25	4.25
Loew's Toronto 7% pfd.		60.00
Massey Harris 5% pfd.	11.25	12.75
Mount Royal Hotel com.	.25	
Mount Royal Hotel 6% pfd.	3.15	4.25
Nat. Grocers c.	.50	.95
Nat. Grocers 7% 2nd pfd.	39.50	43.50
Neilson, Wm., c.	3.75	
Paramount Kitchener pfd.	26.75	
Para. Oshawa c.	3.75	
Para. Oshawa pfd.	29.50	
Provincial Paper 7% pfd.	30.00	35.00
Reliance Grain 6½% pfd.	40.00	44.50
Rolland Paper 6% pfd. W.W.	24.00	27.00
Standard Clay Products c.		14.25
Standard Fuel 6½% pfd. bonus	53.50	58.00
Stop & Shop Ltd.		

Ind. Stock cont'd.	Bid	Asked
com.	1.25	3.00
Supersilk pfd. bonus	25.00	30.50
Supertest Petroleum "B"	13.00	20.00
Toronto Elevators 7% pfd.	70.50	74.00
Western Grain 6½% pfd. bonus	10.00	15.00
Willards Choc. pf.		15.00
Insurance Stocks:		
Br. Amer. Assce.	31.00	40.00
Canada Life Ass.	350.00	400.00
Can. Fire Ins.	50.00	60.00
Confederation Life 20% pd.	124.50	130.00
Continental Life 20% pd.	39.00	46.00
Crown Life Ins.	85.00	110.00
Dom. Fire Ins.	81.00	
Dom. Life 50% pd.	145.00	233.00
Dom. of Can. Gen. Ins.	90.00	107.00
Empire Life 25% pd.	8.25	12.00
Excelsior Life 30% pd.	81.00	90.00
Fidelity Ins. Co.	46.00	
Great West Life Assce.	245.00	280.00
Guarantee Co. of N. A.	241.00	
Imperial Life	240.00	260.00
Mfrs. Life Ins.	225.00	239.00
Monarch Life 10% pd.	15.00	19.00
National Life 25% pd.	61.00	69.00
Saskatchewan Life 10% pd.	7.75	12.00
Sovereign Life 25% pd.	15.00	20.00
Sun Life Assur.	285.00	320.00
Western Assur. c.	15.00	
Western Life 20% pd.	7.50	12.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	156.00	165.00
Can. Gen. Invest. Ltd.	2.85	3.10
Chartered Trust		68.00
Debenture & Sec. 5% pfd.	5.50	
Eastern Can. Sav. & Loan	110.00	115.00
Eastern Trust	132.00	142.00
Guelph & Ont. Inv. par $50	48.00	55.00
Investment Foundation Units	18.75	22.00
Lambton Loan & Savings	50.00	55.50
London & Western Trust		73.50
Mtge. Disc. pfd.	1.90	
Premier Trust	68.50	77.00
Provincial Bank	87.00	93.00
Security Loan & Savings	99.50	
Sherbrooke Trust	100.00	112.00
Sterling Trust		53.00
Traders Fin. c.		.50
Traders Finance 7% "A" pfd.	18.00	20.00
Trusts & Guar.	35.00	39.00
Victoria Trust & Savings	130.50	140.00
Waterloo Trust & Savings		108.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	89.50	91.00
Calgary Power 6% pfd.	63.00	67.00
Can. Light & Pwr. com.	15.00	17.00
Can. West. Nat. Gas LH&P c.	21.00	
Can. West. Nat. Gas LH&P pfd.	64.00	68.50
Inter. Utilities 1.75 pfd.		6.50
Maritime Tel. & Tel. c.	6.75	8.25
Maritime Tel. & Tel. 7% pfd.	10.25	11.50
N.B. Telephone c.	6.00	7.25
N.S. L&P 6% pfd.	67.00	74.00
Recent London Quotations:		
Brewers & Distillers		4s.
Can. & For. Secs.		3s. 6d.
Can. West Lumber		9d.
Hudson's Bay		17s. 6d.
Do., 5% pref.		65s
Internat. Holdings		$1-3/16
Nfld. Pr. & Pap. deb. stock "B"		90½
Trust & Loan of Can.		9d.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
March 28, 1933

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	14.00	15.50
Acadia Sugar 6% 1946	85.00	89.00
Alta. Pac. Grain 6% 1946	79.00	
American Sales Book 6% 1939	105.00	
Arnold Bros. 6% 1947	30.00	35.00
B. A. Oil 5% 1945	89.00	91.00
Can. Biscuit 6½% 1946		20.00
Can. Bread 6% 1941	80.00	84.00
Can. Cement 5½% 1947	53.00	56.00
Can. Steamship 6% 1941	14.00	17.00
Can. Bakeries 6½% 1945	50.00	55.00
Can. Canners 6% 1950	71.00	75.00
Can. Copper Refin. 6% 1945	101.00	104.00
Can. Cottons 5% 1940	83.00	86.00
Can. Vickers 6% 1947	55.00	60.00
Cons. Invest. 4½% 1959	24.00	28.00
Cosmos Imp. Mills 6½% 1944	80.00	85.00
Davies, Wm. 6% 1942	86.00	90.00
Debenture & Sec. 4% 1936	53.00	56.00
Dom. Manufacturers 6% 1933	95.00	
Dom. Tar & Chemical 6% 1949	54.00	57.00
Dom. Telegraph 5½% 1978 "A"	86.00	90.00
Dom. Textile 6% 1949	99.00	
Dom. Woollens 6% 1948	13.00	16.00
Donnacona Paper 5½% 1948	14.00	17.00
Eaton Realty 5% 1949	79.00	82.00
Famous Players 6% 1948		58.00
Famous Players 6½% 1948		40.00
Federal Grain 6% 1949	77.00	81.00
Fraser Cos. 6% 1932	10.00	
Fraser Cos. 6% 1950	10.00	
Galt Brass 7½% 1941		30.00
Goodyear Cotton 6% 1949	99.00	
Great Lakes Paper 6% 1950	16.00	18.00
Gypsum, Lime & Alab. 5½% 1948	29.50	32.00
Harris Abattoir 6% 1947	87.00	90.00
Howard Smith 5½% 1953	55.00	57.50
Loew's Toronto 6% Serial	100.00	
London Realty 6½% 1950	32.00	37.00
Maple Leaf Milling 5½% 1949		35.00
Massey-Harris 5% 1947	45.00	50.00
McColl-Frontenac 6% 1949	83.00	84.50
McKinnon Industries 6½% 1945	94.00	
Mercury Mills 5½% 1953		35.00
Metropolitan Bldg. 7% 1944	85.00	
Nor. Ont. Bldg. 6½% 1939	60.00	65.00
Price Bros. 6% 1943	26.50	30.00
Richmond Bay 6½% 1947	64.00	67.00
Rolland Paper 5½% 1948	70.00	
Simpson's Ltd. 5½% 1949	38.00	42.00
Simpson's Ltd. 6% 1949	40.00	44.00
Steel of Canada 6% 1940	103.00	106.00
Toronto Carpet 6% 1944	75.00	85.00
United Gas & Fuel 5½% 1948	48.00	54.00
United Grain Growers 5% 1948	77.00	79.50
United Grain Growers 5½% 1949	79.00	81.50
Western Grain 6% 1949	62.00	65.00
Public Utility Bonds:		
Bell Telephone 5% 1955	108.50	
Bell Telephone 5% 1957	108.00	
B. C. Power 5½% 1960	82.00	85.00
B. C. Telephone 5% 1960	86.00	89.00
Calgary Power 5% 1960	77.00	80.00
Can. Northern Pwr. 5% 1953	73.00	75.00
Duke Price Pwr. 6% 1966	60.00	65.00
French Natl. Mail SS 6% 1952	117.00	125.00
Gatineau Pwr. 6% 1941 "A"	53.00	56.00
Gatineau Pwr. 5% 1956	75.00	77.00
Maclaren Quebec 5½% 1961	72.00	74.00
Manitoba Power 5½% 1951	42.00	45.00
Montreal Isl. Pwr. 5½% 1957	94.00	99.00
Montreal LH&P 5% 1951	101.00	105.00
Montreal LH&P 5% 1970	101.00	105.00
Montreal Tram. 5% 1941 July	97.00	98.50
Montreal Tram. 5% 1955	64.00	66.00
Northwest. Utilities 7% 1938	89.00	94.00
Ottawa Valley Pwr. 5½% 1970	95.00	98.00
Quebec Power 5% 1968	91.00	93.00
Rio Tramways 5% 1935	95.00	100.00
Shawinigan W&P 4½% 1970	63.00	[illegible]
Shawinigan W&P [illegible]	[illegible]	[illegible]
Shawinigan W&P [illegible]	[illegible]	[illegible]
Southern Can. Pwr. 5% [illegible]	[illegible]	[illegible]
West Kootenay Pwr. [illegible]	[illegible]	[illegible]
Government, Provincial & Railway Bonds:		
C.N.R. 4½% 1951 Dom. Gtd.	[illegible]	[illegible]
C.N.R. 4½% 1957 Dom. Gtd.	[illegible]	[illegible]
C.N.R. 5% 1969 Dom. Gtd.	[illegible]	[illegible]
C.P.R. 4½% [illegible]	[illegible]	[illegible]
C.P.R. 5% 1944	[illegible]	[illegible]
Dom. of Can. 5% 1936	[illegible]	[illegible]
Dom. of Can. 4½% [illegible]	[illegible]	[illegible]
G.T.P. 4% 1962 Dom. Gtd.	[illegible]	[illegible]
G.T.P. 3% 1962 Dom. Gtd.	[illegible]	[illegible]
Ont. Hydro 4½% [illegible] Ont. Gtd.	[illegible]	[illegible]
Ont. Hydro 5% 1970 Ont. Gtd.	[illegible]	[illegible]
Ont. Hydro [illegible] Ont. Gtd.	[illegible]	[illegible]
Prov. of N. B. 5% [illegible]	[illegible]	[illegible]
Prov. of Ont. 5½% 1946	[illegible]	[illegible]
Prov. of Ont. 5½% 1948	[illegible]	[illegible]

Winnipeg Stock Exchange

(Transactions for week to Mar. 25)

Div. Rate in $	Yield in %		Sales	High week	Low week	Close Mar. 25
		Central Manitoba	[illegible]	[illegible]	[illegible]	[illegible]
		Gem Lake	10000	[illegible]	[illegible]	[illegible]
20	8.2	Great West Life	[illegible]	[illegible]	[illegible]	[illegible]
50c	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		San Antonio	400	[illegible]	[illegible]	[illegible]
		Western Grocers	[illegible]	[illegible]	[illegible]	[illegible]

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass, pref.	7%	1¾%	Apr. 1	Mar. 15
Assoc. Breweries, pfd.	$7	$1.75	Apr. 1	Mar. 15
B. C. Elec. Pr. & Gas pfd.	6%	1½%	Apr. 1	Mar. 20
Bell Telephone	6%	1½%	Apr. 15	Mar. 23
Brit. Col. Power "A"	$2	50c	Apr. 15	Mar. 31
Brantford Cordage, 1st pfd.	8%	2%	Apr. 1	Mar. 20
Brazilian Traction, pfd.	6%	1½%	Apr. 1	Mar. 15
Burt, F. N.	$2	50c	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Brit. Amer. Oil (No. 12)	80c	20c	Apr. 1	Mar. 15
Bk. of Nova Scotia	$14	$3.50	Apr. 1	Mar. 16
Building Products "A" & "B"	$1	25c	Apr. 1	Mar. 16
Canada Dry	$1	25c	Apr. 15	Apr. 1
Canada Bread, 1st pfd.	$4	$1	Apr. 1	Mar. 25
Canada Iron, pref.	$3	$1.50	Apr. 30	Apr. 15
Crown Trust	$7	$1.75	Apr. 1	Mar. 31
Can. Gen. Invest. (No. 19) c.	40c	10c	Apr. 1	Mar. 15
Calgary Power c.	$6	$1.50	Apr. 1	Mar. 15
Can. Cottons, pref.	6%	1½%	Apr. 4	Mar. 18
Central Can. Loan	$8	$2	Apr. 1	Mar. 15
Can. Canners, 1st pref.	6%	1½%	Apr. 1	Mar. 15
Do., 2nd pref.	20c	5c	Apr. 1	Mar. 15
Can. Celanese, pref.	$7	$1.75	Mar. 31	Mar. 18
Can. Gen. Electric	$4	$1	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Can. Industries, pref.	$7	$1.75	Apr. 15	Mar. 31
Do., com. "A" & "B"	$3.50	87½c	Apr. 29	Mar. 31
Can. Northern Power	80c	20c	Apr. 25	Mar. 31
Do., pref.	7%	1¾%	Apr. 15	Mar. 31
Canadian Oil, pref.	8%	2%	Apr. 1	Mar. 20
Canadian Car, pref.	$1.75	44c	Apr. 10	Mar. 27
Can. Perm. Mortgage	$10	$2.50	Apr. 1	Mar. 15
Consumers' Gas	10%	2½%	Apr. 1	Mar. 15
Canada Bud Brew.	60c	15c	Apr. 15	Mar. 31
Can. Iron Fds. pref.	$3	$1.50	Apr. 30	Apr. 15
Can. Foreign Invest. pfd.	...	†$2	Mar. 29	Mar. 24
Can. Fairbanks pref.	$6	$1.50	Apr. 15	Mar. 31
Dominion Textile	$4	$1	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 15	Mar. 31
Dominion Bank	$10	$2.50	Apr. 1	Mar. 20
Dominion Bridge	$2	50c	May 15	Apr. 29
Dominion Stores	$1.20	30c	Mar. 30	Mar. 15
Dome Mines	$1	25c	Apr. 20	Mar. 31
Do., extra	...	20c	Apr. 20	Mar. 31
Dominion Glass	$5	$1.25	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Eastern Steel Prod., pfd.	$7	$1.75	Apr. 1	Mar. 15
Eastern Trust	$8	$2	Apr. 1	Mar. 15
Economic Invest. Trust	75c	37½c	Apr. 1	Mar. 21
Fanny Farmer	$1	25c	Apr. 1	Mar. 15
Do., pref.	$2.40	60c	Apr. 1	Mar. 15
Freiman, A. J., pfd.	$6	$1.50	Apr. 1	Mar. 15
Goodyear Tire	$2.40	60c	Apr. 3	Mar. 15
Do., pref.	$7	$1.75	Apr. 3	Mar. 15
Gurd, Chas., pref.	$7	$1.75	Apr. 1	Mar. 15
General Trust of Can., pfd.	$6	$1.50	Apr. 1	Mar. 25
Great West Life	$20	$5	Apr. 1	Mar. 20
Highland Dairy pref.	$7	$1.75	Apr. 1	Mar. 25
Howe Sound	40c	10c	Apr. 15	Mar. 31
Hunts, "A" & "B"	50c	12½c	Apr. 1	Mar. 17
Hamilton Un. Theatres, pfd.	$7	$1.75	Mar. 31	Feb. 28
Huron & Erie Mtge.	$7	$1.75	Apr. 1	Mar. 15
Inter. Hydro Elec. pfd.	$3.50	87½c	Apr. 15	Mar. 28
Imperial Tobacco, c.	35c	8¾c	Mar. 31	Mar. 1
Do., final	...	17½c	Mar. 31	Mar. 1
Do., pref.	6%	3%	Mar. 31	Mar. 1
Inter. Nickel, pref.	7%	1¾%	May 1	Apr. 1
Imperial Bank	$10	$2.50	May 1	Mar. 31
Invest. Foundation pfd.	$1.50	37c	Apr. 15	Mar. 31
Do., on arrears	...	13c	Apr. 15	Mar. 31
Jamaica Pub. Service	$1	25c	Apr. 1	Mar. 17
Do., pref.	$7	$1.75	Apr. 1	Mar. 17
Landed Banking & L.	$6	$1.50	Apr. 1	Mar. 15
Mitchell, J. S., pref.	$7	$1.75	Apr. 1	Mar. 17
Moore Corporation, pfd. "A"	$7	$1.75	Apr. 1	Mar. 20
Do., pfd. ("B")	$7	$1.75	Apr. 1	Mar. 20
Montreal C. & D. Bank	$12	$3	Apr. 1	Mar. 15
McColl-Frontenac, pfd.	6%	1½%	Apr. 15	Mar. 31
Montreal Telegraph	8%	2%	Apr. 15	Mar. 31
Montreal L. H. & Pr.	$1.50	37c	Apr. 30	Mar. 31
Montreal Tramways	$9	$2.25	Apr. 15	Apr. 6
Nat. Breweries	$1.60	40c	Apr. 1	Mar. 15
Do., pref.	$1.75	44c	Apr. 1	Mar. 15
National Biscuit	$2.80	70c	Apr. 15	Mar. 17
Northern Ont. Power	$2	50c	Apr. 25	Mar. 31
Do., pref.	6%	1½%	Apr. 25	Mar. 31
New England Power, pfd.	$6	$1.50	Apr. 1	Mar. 10
Do., pref.	$2.00	50c	Apr. 1	Mar. 10
Do., com.	$2	50c	Apr. 1	Mar. 10
National Trust	$10	$2.50	Apr. 1	Mar. 21
N. S. Light & Pr. c.	$4	$1	Apr. 1	Mar. 18
Ogilvie Flour Mills c.	$8	$2	Apr. 1	Mar. 22
Ottawa L. H. & Pr.	$6	$1.50	Mar. 31	Mar. 15
Do., pref.	$6.50	$1.62½	Apr. 1	Mar. 15
Ont. Loan & Deb.	$6	$1.50	Apr. 1	Mar. 15
Premier Gold Mines	12c	3c	Apr. 4	Mar. 15
Perfect Circle	$2	50c	Apr. 1	......
Pioneer Gold, B.C.	24c	6c	Apr. 1	Mar. 10
Page-Hersey Tubes, c.	$3	75c	Apr. 1	Mar. 20
Do., pref.	7%	1¾%	Apr. 1	Mar. 20
Penmans	$3	75c	May 15	May 5
Do., pref.	$6	$1.50	May 1	Apr. 21
Porto Rico Power pfd.	$7	$1.75	Apr. 1	Mar. 15
Provincial Paper pfd.	$7	$1.75	Apr. 1	Mar. 15
Power Corp. pref.	$6	$1.50	Apr. 15	Mar. 31
Do., 2nd pref.	$3	75c	Apr. 15	Mar. 31
Robinson Cons. Cone	$1	25c	Apr. 1	Mar. 15
Riverside Silk "A"	$1	25c	Apr. 1	Mar. 15
Supertest Pete. "A" pfd.	7%	1¾%	Apr. 1	Mar. 15
Do., "B" pref.	6%	1½%	Apr. 1	Mar. 15
Do., com. & ord. coupon (23)	$1	25c	Apr. 1	Mar. 15
Siscoe Gold Mines	12c	3c	Mar. 31	Mar. 10
Southern Can. Power, pfd.	6%	1½%	Apr. 15	Mar. 20
Simpson, Robt., pref.	$6	$3	May 1	Apr. 15
Southern Can. Power c.	$1	25c	May 15	Apr. 29
Steel of Canada	$1.20	30c	May 1	Apr. 7
Do., pref.	$1.75	43¾c	May 1	Apr. 7
Standard Fuel pfd.	$6.50	$1.62½	Apr. 1	Mar. 15
Tamblyn, pref.	7%	1¾%	Apr. 1	Mar. 22
Toronto Gen. Trusts	$8	$2	Apr. 1	Mar. 18
Toronto Mortgage	$6	$1.50	Apr. 1	Mar. 15
Thrift Stores 1st pfd.	$1.62½	40⅝c	Apr. 1	Mar. 21
Do., 2nd pref.	70c	17½c	Apr. 1	Mar. 21
Tuckett Tobacco pfd.	$7	$1.75	Apr. 15	Mar. 31
United Securities	$2	50c	Apr. 15	Mar. 31
Weston, Geo., c.	$1	25c	Apr. 1	Mar. 20
West Kootenay Power, pref.	7%	1¾%	Apr. 1	Mar. 27
Western Grocers pref.	$7	$1.75	Apr. 15	Mar. 20
Wright-Hargreaves	20c	5c	Apr. 1	Mar. 15

† On account of arrears covering quarter ended June 30, 1932.

Dividends Passed or Deferred:
Standard Steel Construction, pref. Apr. 1, passed. Last paid 75c. Jan. 1, 1933.
Sherwin-Williams, pref. Mar. 31, deferred. Last paid $1.75 Dec. 31, 1932.
Gurd, Chas., c. Apr. 1, deferred. To be considered again in April 1933.
Tip Top Tailors, pref. Apr. 1 deferred. To be considered in June 1933.
Can. Pacific Railway, pref., Apr. 1, passed. Last paid 2% Oct. 1, 1932.
Holt Renfrew, pref., Apr. 1 deferred. Last paid $1.75 Jan. 3, 1933.

Dividend Rate Reduced:
Burt, F. N., com. Apr. 1, $2.40 to $2 per annum.
Can. Canners, 2nd pref. Apr. 1, 40c. to 20c. per annum.
Dominion Textile, com. Apr. 1, $5 to $4 per annum.
Bell Telephone, Apr. 15, $7 to $6 per annum.
Can. Permanent Mortgage, Apr. 1, $12 to $10 per annum.
Hunts, "A" & "B" Apr. 1, $1 to 50c. per annum.
Landed Banking & Loan, Apr. 1, $8 to $6 per annum.
Goodyear Tire, c. Apr. 3, $5 to $2.40 per annum.
Huron & Erie Mtge. Apr. 1, $8 to $7 per annum.
National Trust, Apr 1, $12 to $10 per annum.
Central Canada Loan, Apr. 1, $10 to $8 per annum.
Canada Bread, 1st pref., Apr. 1, $7 to $4 per annum.
Toronto General Trusts, Apr. 1, $10 to $8 per annum.
Canada Bud Brew. Apr. 15, $1 to 60c per annum.
Steel of Canada, c. May 1, $1.75 to $1.20 per annum.

***Extra Dividends:**
Dome Mines, 20c. Apr. 20.
Imperial Tobacco, c. 17½c. final div., Mar. 31.

Dividend Rate Increased:
Wright-Hargreaves, Apr. 1, from 2½c. to 5c. quarterly.

Listed Bond Quotations

Week Ending March 27

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Low
Abitibi, 1st mtge.§	5	1953					*46	19½
Asbestos	5	1942		21			*65½	49
Asbestos, 1st mtge.	6	1941		5½			*20	14
Do., gen. mtge.	6	1956					*9	
Can. Cons. Rub.	6	1946					62	[illegible]
Can. Cottons	5	1940					*91	90
Can. Forgings	6	1942					*100	
Can. Locomotive	6	1951					19½	19½
Can. Pr. (Laur.)	5½	1958		†6			*7	5
Do. (Way. Ser.)	5½	1958					*28½	5½
Can. S.S. Debs.	5	1943					*83½	
Cedars Rapids	5	1953					108	103
Dom. Canners	6	1940					‡103	
Dominion Coal	5	1940					37	
McNish	6	1948		1.00	1.00		1.50	1.00
Mex. L. & Pr.	5	1940		55			*73½	70½
Mtl. L.H.&Pr. debs.	5	1939		41½	42	41½	43	39½
Mont. Tr. 1st mtg.§	5	1941	5.38				98½	97
Mont. Trams. "A"§	5	1955	7.47				77½	68
Do., G. & Ref. "B"	5	1955	7.47				73½	
Do., "C"	4½	1955					*77½	77
Do., "D"	5	1955	7.14				77½	76½
N. S. Steel	5	1959		†78			*62½	59
Ontario Steel	6	1943		80			*100½	
Porto R. Pr.	5	1936					*93	88
Steel of Canada§	6	1940		102			*102½	100
Wayagamack	6	1951					*75	45
Winnipeg Elec.§	5	1935		76½			*86	
Toronto								
Canada Bread	6	1941					*101½	100
[illegible]								
Dominion Govt. Bonds (Montreal)								
War Loan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Victory Loan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Do.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Do., refund	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Do., refund	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Do., renewal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Conversion Loan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nat. Service Loan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

*Latest ask. ‡Quotations for 1930. †For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York.

Winnipeg Stock Exchange

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Lumber Co.	[illegible]	[illegible]	Northern Trust	[illegible]	[illegible]
Beaver Fire	[illegible]	[illegible]	Sovereign Life	[illegible]	[illegible]
City Dairy 5% pfd.	[illegible]	[illegible]	United Grain	[illegible]	[illegible]
Crow. Cream. pfd.	[illegible]	[illegible]	West. Breweries	[illegible]	[illegible]
Home Investment	[illegible]	[illegible]	West Tr. pref.	[illegible]	[illegible]
Monarch Life 10%	[illegible]	[illegible]	Can. Amer. Tr. sh.	[illegible]	[illegible]
Nor. Mtg. part pd.	[illegible]	[illegible]	Fundamental Ser. A	[illegible]	[illegible]
Nor. Mtg. full pd.	[illegible]	[illegible]	Fundamental Ser. B	[illegible]	[illegible]
Pelissiers, pref.	[illegible]	[illegible]	Group Inc. sh.	[illegible]	[illegible]
Nor. Can. Mtg. pf.	[illegible]	[illegible]			

*Stocks more active on other exchanges not included.

BUTTER IMPORTS CAUSE BREACH WITH ZEALAND

Canada Seeks Curb on Shipments Under Pact

From Our Own Correspondent

OTTAWA.—After one year of normal trade relations, the Canadian and New Zealand governments have again fallen out on the vexed question of butter imports.

Exercising its right under the 1932 Canada-New Zealand treaty, the Bennett government has served formal notice on the New Zealand government that if steps are not taken within 30 days to curb exports of butter to this country, the full weight of the various dump duties and arbitrary values will be applied.

May Wreck Treaty

Before taking this drastic step, it is well understood here that the Bennett government exhausted the field of negotiation and argument. The treaty now stands in danger of being wrecked upon the rocks that menaced its negotiation, and which completely wrecked the old treaty entered into by the late Hon. J. A. Robb. Apparently, as Premier Bennett told the House of Commons in 1931, the New Zealand government regards the sale of butter to this country as essential.

What will happen depends upon how this action by Canada affects opinion in New Zealand. Under the terms of the 1932 treaty, the special concessions given by Canada, such as a butter tariff of 5 cents per lb., were exempt from dump duties, arbitrary values, etc., except after due notice had been given.

The treaty provided that no special penalties could be imposed.

"Unless previous notice has been given by the government of Canada to the government of New Zealand that the importation of such goods would prejudicially or injuriously affect the production or manufacture of similar goods in Canada, and if, at the expiration of a period of 30 days from the date of such notice, remedial measures satisfactory to the government of Canada are not put into effect by the government of New Zealand then the provisions of the customs tariff may be applied."

Hold 30 Days

Under the treaty it is also possible for the Canadian government to hold goods whose importation is undesirable in bond for the 30-day period, only releasing them after special tariffs have been put on.

It is understood that this latter provision will be available or if sufficient New Zealand butter is offered for sale in the interval to affect domestic prices adversely. Right now, the government is uncertain as to the quantity of butter which is en route from the Antipodes. It is known that some thousands of boxes either have been or are to be shipped.

Depends on New Zealand

If the New Zealand government now takes steps to stop exports of butter in large volume to Canada, or to control export prices in such a way as not to break our market, the end of the 30 days (dating from March 20) should see the treaty restored to full force and effect.

If not, the Canadian government will proceed to protect the domestic producers to any extent that may be necessary. The government, in so doing, will be free to employ every special tariff contained in the tariff and customs acts.

On the other hand, New Zealand may respond to Canada's formal protest as was the case in May, 1930, when the Liberals gave notice of the abrogation of the old treaty. What followed, then, was a brief but severe tariff war. If the same line is now adopted, New Zealand will retaliate by withdrawing the preferences extended to Canada in the 1932 treaty, thus reducing this once valuable inter-Imperial trade again to chaos.

AMERICA - EUROPE TRAVEL OUTLOOK THOUGHT POOR

Competition from Home Resorts Considered Too Keen

Although steamship companies operating in the North America-Europe passenger service are agreed that 1933 will most likely prove a very lean season, there is no tendency on their part to effect any reduction in the rates, according to the Montreal Gazette. Rates are so low, already, it is stated, that little more than operating expenses can be met and any further cut would not stimulate travel sufficiently to justify itself. Last year's experience with lower rates makes this apparent in the opinion of steamship companies.

At the spring meeting in Paris of the Atlantic Conference, the opinion was expressed that relatively few Americans would visit Europe this year. Competition from domestic railroads with reduced rates and from hotels in popular mountain and seaside resorts will induce many vacationists to remain at home instead of crossing the ocean, it was stated.

Single Class Plan Dropped

Little support was forthcoming at the conference for a suggestion that all liners be placed in a single class, which would make possible an upward revision of rates for cabin-class ships. If it had been adopted, this recommendation would have resulted in the rates aboard some of the more recently launched cabin lines being placed on a parity with those for vessels engaged primarily in the first-class trade, although passengers would make the voyage in eight days instead of six for approximately the same expenditure.

The St. Lawrence route should have an additional attraction for those people desirous of crossing to Europe this summer, according to the Gazette, as the popular cabin-class liners for which there is a greater demand than ever are operated on regular schedule from Montreal to ports in Ireland, Scotland, England and France through a waterway that has great scenic attractions. Furthermore, the period at sea is also less than is experienced on the New York route, liners steaming for a thousand miles through waters that are wholly or partially sheltered before entering the Atlantic itself.

Bank Heads Against Central Bank Plan

State That Finance Act Performs Main Functions of a Central Bank and That Central Bank Could Not Increase Available Credit

Heads of Canadian chartered banks are unanimous in their opinions stating that Canada does not need a central bank, according to a compilation by The Financial Post. Most of the opinions were expressed at annual meetings of the banks.

Reasons given by these leading bankers for this opinion are striking in their similarity. First, they state, the present Finance Act performs virtually all the main functions of a central bank. Secondly, the bankers contend that a central bank could not increase the supply of available credit. Thirdly, it is pointed out that the present system has been proved sound, and that it has been fully capable of taking care of all sound demands for commercial borrowings for legitimate enterprise.

Barclay's Omitted

The only Canadian bank omitted in the following collection of opinions is Barclay's Bank (Canada). There was no definite expression of opinion given at the annual meeting of this bank by the president, Sir Robert Borden.

Space does not allow of opinions in full, but extracts have been made of the key portions of the remarks made on the subject of central banks for Canada.

Sir Charles Gordon, president of The Bank of Montreal, stated his opinion, in part, as follows: "There is no need for a central bank in Canada. For all practical purposes, such an agency already exists in the Finance Act, under the provisions of which the chartered banks borrow at the Finance Department and obtain such amounts of Dominion notes as may be required."

W. A. Bog's Opinion

W. A. Bog, one of the joint general managers of The Bank of Montreal, gave his views at the same meeting: "Under the Finance Act Canada already possesses through Government channels those advantages which would come from a central bank if one existed."

J. A. McLeod, president of the Canadian Bankers' Association and general manager of The Bank of Nova Scotia, expressed his disapproval at the annual meeting of the C. B. A., in part, as follows: "If we were to create a central bank in Canada, it would inevitably rouse extravagant expectations in the minds of a great many people. Most of these expectations would inevitably be doomed to disappointment, firstly, because as a debtor country we have a limited freedom of action in times of stress; secondly, because as a young country we possess an essentially simple financial machinery which has been a natural growth and which, therefore, cannot easily be maniuplated artificially."

Ulterior Motive

Sir John Aird, president of The Canadian Bank of Commerce, sees an ulterior motive in the proposal: "Some of the current discussions on banking in Canada by those opposed to the present system—the discussions even being in the guise of a movement to establish a central bank—indicate that what they really desire is the nationalization of banking."

S. H. Logan, general manager of The Canadian Bank of Commerce, states: "Every function of central banking essential to Canada is already being fulfilled through the operation of our existing banks with the auxiliary service of the Finance Act, which is regarded by the financial world as a model of flexibility, combined with such simple and economical operation as to be without cost either to the Government or the public."

Dominion Bank

C. A. Bogart, president of The Dominion Bank, expresses himself, in part, as follows: "In Canada there are only ten banks, and their seasonal rediscount needs are always adequately provided for by the facilities of the Finance Act, and with a substantial and welcome profit to the Government. A central bank could not increase the supply of banking credit by one dollar."

Frank A. Rolph, president of The Imperial Bank of Canada, said: "The proposal to establish a central bank in Canada is one for which it is difficult to see the necessity. It would not provide additional credit beyond what is already accorded by our Canadian banking system, with the assistance of the present Finance Act."

A. E. Phipps' Opposed

A. E. Phipps, general manager of the same bank, expressed himself at some length. The following is the key sentence in his remarks: "Under our present system, the Finance Act, with a minimum of expense as far as operating charges are concerned, and with profit to the Government, provides the chief feature of any central banking system; that is, it permits commercial banks needing currency, with which to facilitate the business of the country, to receive it on the deposit of securities as in the Act defined."

Morris W. Wilson, general manager of The Royal Bank of Canada, stated: "A central bank could perform few services not available under our present system. Too often, I fear, it is thought that a central bank would furnish increased credit facilities to farmers and others. This is not the case."

Present System Satisfactory

H. B. Henwood, general manager of The Bank of Toronto, expressed satisfaction with the present system: "We are well satisfied with the present simple and effective machinery by which we are able to borrow under the Finance Act for our needs during the peak periods of business, by putting up ample security with the Government. I can see no advantage whatver in the formation of a central bank at this stage of the country's development."

Beaudry Leman, general manager of the Banque Canadienne Nationale, thinks a central bank would be a "costly frill." "Seeing that the important functions of a central bank are already assured in this country, the time is inopportune to add costly frills to our monetary and banking system."

"Would Seem Dangerous"

Chas. A. Roy, general manager of the Provincial Bank of Canada, thinks it seems dangerous: "It would seem dangerous, either as an experiment or to satisfy certain groups, to modify the present system before the necessity of making a change is well defined, the principles now in force having, up to the present, given very good service in satisfying legitimate needs."

CENTRAL BANK COULDN'T HELP OUR FINANCING

(Continued from page 1)

deposits. In England, the commercial banks make somewhat similar deposits voluntarily.

Banker's Bank

It will be seen from the foregoing that a central bank, as its name implies, is virtually a banker's bank and does not serve the public directly. This being so, why, then, is there unanimity on the part of bankers in Canada in expressing opposition to the establishment of such an institution? Some say, would it not be worth while trying out such an institution?

The establishment of the Federal Reserve System in the United States was hailed as marking the dawn of a new era in which bank failures would cease, credit would always be adequate and price levels would never fall. Notwithstanding all such optimistic predictions, the world depression inflicted probably more havoc in the United States than in any other country in the world. Since 1921, allowing for banks re-opened, the net suspensions in the United States were 9,366 banks, involving total deposits of $4,271,000,000, and during the present month you have seen the whole banking system, including the Federal Reserve, suspend operations temporarily.

In Canada, there has not been a single bank failure since 1923—in other words, not one depositor has lost a single dollar.

Finance Act Facilities

But others suggest that perhaps a central bank could improve conditions in Canada, by affording the banks greater and more elastic rediscount facilities than are now available under the Finance Act.

Under the Finance Act a very wide range of securities may be pledged by banks, namely, securities issued by the Dominion and Provincial Governments, by Great Britain and other British possessions, Canadian municipalities, and by the United States Government. In addition, may be pledged promissory notes and bills of exchange, maturing within six months, and representing agricultural commodities or commercial and industrial transactions. Bills or notes based on trading in stocks and securities or capital expenditures are properly excluded.

The banks pay interest on such advances at a rate fixed by the treasury board, and the securities may be deposited either with the Minister of Finance or the Assistant Receivers-General.

Advances are made in Dominion notes and are repayable in Dominion notes.

English Practice

In England, a commercial bank requiring money not otherwise available would not go directly to the Bank of England but would sell some of its holdings of bills of exchange to the money market, which is comprised largely of acceptance houses and bill brokers. If the supply of money available in the money market becomes restricted, it is replenished by the acceptance houses and bill brokers discounting prime commercial bills with the Bank of England. The commercial bank could then obtain further funds from the money market if required. This seemingly awkward process has been developed in England through several centuries and there are probably no corresponding conditions elsewhere in which a like scheme could be utilized. In practice, the joint-stock banks in England almost never rediscount; they allow bills in the portfolios to run off; they refrain from reinvesting the proceeds of treasury bills redeemed, or call money on loan to the discount houses.

In the United States, the member banks rediscount various types of securities directed with the twelve Federal Reserve Banks, but the class of securities which may be accepted is not so broad as we have provided in Canada under the Finance Act. The Federal Reserve does not permit the acquisition of securities issued by the Government of any other country nor the purchase of state and municipal securities having maturities exceeding six months from date of purchase. (Recent emergency legislation is not taken into account.)

The foregoing comparison indicates that a greater degree of elasticity is provided under our Finance Act than by the most modern central bank.

No Money Market

It should, moreover, be realized that in Canada, under our system which has evolved over the course of one hundred years to meet the peculiar needs of this country, each bank is, in this respect, almost a central bank in itself, the head office acting for all its branches much as a Federal Reserve Bank functions along these lines for its many individual member banks. The need for facilities for rediscounting commercial paper is negligible in Canada and for this reason the banks do not avail themselves to any extent of the right to pledge commercial paper under the Finance Act, preferring to use high grade government securities as collateral.

Would a central bank in Canada, where there is no money market and where rates of interest on loans and deposits are comparatively stable, be an advantage by reason of the control it would have of the rediscount rate?

In London and New York the raising or lowering of the rediscount rate is principally effective on the money market and, to a less extent, is reflected in other parts of the country in the rates of interest charged on commercial loans, or upon time-deposit rates. These money markets are the greatest in the world, attracting tremendous sums, and the rediscount rate is used chiefly in controlling the flow of funds in and out of the country.

Such funds could not be attracted to a debtor country in competition with the great money centres mentioned, hence there being no money market in Canada. Such funds must be available on sharp call, and this essential feature of liquidity explains why our banks are compelled to place a proportion of their reserve funds in New York and London regardless of how low the rates may be. The alternative would be to keep the amount in cash in our vaults, earning nothing.

Obviously then, lacking a money market, a Canadian central bank could utilize a rediscount rate only to a very limited extent.

Open Market Operations

The other principal instrument of a central bank is open market operations—that is, purchasing or selling sound securities and commercial paper to increase the volume of money in the money market. Here again, as there is no money market in Canada, there would be a very limited scope for such operations.

Would complete control of the currency issue of Canada by a central bank be of any advantage?

The Bank of England has a monopoly of the currency issue in England, but the great Scottish banks still issue their own currency, so that the situation there is somewhat similar to our own. In the United States, there is some variety of currency but it is under the control of the Federal Reserve System, one reason for the establishment of which was "to furnish an elastic currency," which was sorely lacking.

Control of Currency

The whole purpose of central control of currency is to charge it with the responsibility of furnishing sufficient currency to meet the commercial and other demands of the country. In Canada we have what is perhaps the most elastic system of currency circulation in the world. It is a combined system of Dominion and bank notes.

Dominion notes are legal tender everywhere in Canada. Up to $50,000,000 the Minister of Finance must hold as security not less than 25 per cent in gold, and for all notes in excess of $50,000,000 an equivalent quantity of gold must be held, with the exception of $26,000,000 borrowed by the Government during the war and notes issued to banks under the Finance Act against specific security. Dominion notes are issued principally in denominations of ones and twos so far as the public is concerned, and in very large denominations, multiples of $1,000, which are used almost exclusively by the banks in settling their obligations among themselves through the clearing houses, and held by them as a portion of their cash reserves, 40 per cent of which must be in Dominion notes. In addition, these large Dominion notes are convenient for lodgment in the central gold reserve. The expansion of the Dominion note issue is provided for under the Finance Act, under the control of the Treasury. This situation is very similar to that which exists in respect of the Bank of England notes.

Bank Note Issues

Bank notes are issued in denominations of $5 or multiples thereof, and the total of any bank's issue must not exceed the amount of its unimpaired paid-up capital, plus the amount of gold coin and Dominion notes held for the bank in the central gold reserves. To assist in moving the crops when extra currency is required, between September 1 and the last day of February following, a bank may issue additional notes to an amount not exceeding 15 per cent of its combined unimpaired paid-up capital and rest. On the actual excess circulation under this provision of the Bank Act a bank must pay to the Government interest at a rate not exceeding 5 per cent. Notes are a first charge against all the assets of a bank, and in addition there is a bank note redemption fund in which each bank must deposit in Dominion notes 5 per cent calculated on its average monthly circulation less the average deposit maintained in the central gold reserves.

The advantage of this system is that all of the 3,800 branch banks in Canada may at all times have on hand an adequate supply of notes to meet commercial and other demands. The notes of a bank are, of course, not a liability while in its own possession, any more than would be the note of an individual in his own hands. If the banks required to purchase notes from a central bank to provide the 3,800 branches with adequate supplies, it would be at a heavy cost in interest, and many small branches, which are now being operated at or near a loss, would have to be discontinued.

Our Currency Elastic

The amount of currency in circulation is controlled by public demand. Each bank pays out its own notes, and all notes of other banks which it receives are presented for redemption through the clearing houses promptly to save loss of interest. Daily clearing house settlements for all parts of Canada are focused in Montreal and are made in Dominion notes.

The importance of having an elastic currency is not lessened by the fact that in Canada, as in England and the United States, currency forms but a limited portion of the instruments used in dealing with all the transactions of the country. It is estimated that over 90 per cent is dealt with by means of cheques, the use of actual currency being therefore largely confined to till money in the banks, retail establishments, payrolls of industrial concerns and pocket money for daily purchases of food and small necessities of life.

In the light of the foregoing, it is contended that the Finance Act meets our needs in Canada and that the establishment of a central bank would be a needless expense, and would weaken the banks which would have to supply the capital and deposits free of interest.

The cost of setting up a central bank would be very considerable and much of it would have to be furnished by the banks.

Notwithstanding all I have said, it will be asked would not a central bank be able to control credit and so regulate price levels?

Can't Control Our Prices

All that need be said in reply is that in spite of strenuous efforts on the part of the Federal Reserve System and the bringing into being of various finance corporations, demand for credit in the United States has continually shrunk, and wholesale commodity prices for the United States show a drop, on the basis of 100 for 1913, from 149 in July, 1929, to 82 at the end of January, 1933—a decline of 45 per cent.

In the years 1926-1929, inclusive, while the quantity of currency in circulation in Canada increased 12 per cent and the rate of turnover of demand deposits increased by 20 per cent, the price index of wholesale commodities steadily dropped from 100 in 1926 to 95 in 1929. In 1932, when the wholesale price index in Canada declined to 67, demand deposits were turning over at a velocity of 53 times per year—the same rate of turnover as in 1925 when the wholesale price index was 102. Average demand deposits in 1932 were but 8 per cent below those of 1925. The inference is obvious that Canadian prices for the most part are set in world markets and that neither the quantity of money nor the volume and use of credit in Canada has any material bearing. Certainly the establishment of a central bank in Canada would have no effect on world prices and would be only an added expense to the country at large while providing for no need that is not already met by the Finance Act.

Whether or not the Finance Act can be improved in its operation is beyond the scope of this discussion.

In a recent address to directors of the Bank of Ireland, the Governor declared that the popular platform appeared to envisage a central bank as an institution supplied with large funds obtained from undefined sources, to be lent out to the public on long terms at nominal interest. He added, "It is only necessary to say that whatever description might be applied to so unique an institution, it would certainly not be a central bank."

Ontario Fire Loss Higher in February

Ontario's fire loss in February amounted to $1,286,073, an increase of $303,133 over February a year ago and compared with only $691,187 in January of this year. A total of 1,531 fires were reported during the month, four of which were of major significance. Nearly 92 per cent of the loss was covered by insurance.

Fire at the Cornwall Pants Co. plant at Cornwall was the largest during the month, the estimated loss being $200,000. Other large fires were: Dominion H. F. Co., Ottawa, $115,000; York Trading Co., Toronto, $43,182; McGregor Hosiery Mill, Toronto, $36,931.

International Utilities 1932 Income $712,477

Net Losses of $3,821,350 on Sale of Investment Securities Were Charged to Reserve for Depreciation and Surplus Account

Report of International Utilities Corp. and subsidiary holding companies for year ended December 31, 1932, shows combined net income after interest, federal taxes and minority interest of $712,477. This does not include net losses on sale of investment securities amounting to $3,821,350 as this latter amount has been charged to reserve for depreciation and surplus account. This showing of combined net income is also before providing additional reserves for depreciation. In 1931 combined net income had been $1,004,814, exclusive of net losses on sale of investment securities amounting to $5,439,121. The latter amount was also charged to reserve for depreciation and surplus account and the combined net income was before providing additional reserve for depreciation.

Of the $1,004,814 combined net income for 1931 $482,554 was stated to be applicable to International Utilities Corp. and subsidiary holding companies and $522,260 was applicable to holdings of American Equities Co.

CONS. INCOME AND SURPLUS ACCT.
Years Ended December 31

	1932 $	1931 $
Income†	1,189,119	1,710,568
Less: Expenses	383,192	579,383
	805,927	1,131,185
Less: Appl. to minority int.	84,986	126,371
Net income	720,941	‡1,004,814
Less: Appl. to holdings in Amer. Equities	......	522,000
Portion of inc. prior to acquisition	8,464	......
	712,477	482,554
Less: Loss on sale of invest.§	404,097	197,441
	308,380	285,113
Less:		
Res. for deprec. of invest.	2,807,443	4,234,221
Res. for doubtful accounts	......	53,650
Organ. exp. w/o	10,884	......
Tax. & other adj.	81,570	27,915
Net deficit	2,591,517	4,030,673
$7 prior pref. divs.	160,286	212,820
$3.50 prior pref. divs.	352,318	133,376
$1.75 pref. divs.	162,748	77,419
Class "A" stock divs.	......	374,062
For purch. of treas. stk.	†	431,063
Deficit for year	3,266,869	5,259,413
Add: Prev. surp.	1,502,861	6,242,692
Adj. of prof. on sale of subs. in 1930	......	73,612
Surp. restored from approp. surp. on retire. of p. pfd. & cl. 'A' stk.	431,063	445,970
Add: Surp. from reduc. in cap. stock	*4,706,837	......
Surp. on prior pref.	7,798	......
Total surplus	3,381,690	1,502,861

‡Combined net income based on stock ownership of International Utilities Corp. and holding subsidiaries in American Equities Co. (exclusive of net losses on sale of investments amounting to $5,439,122 charged to reserves for depreciation and surplus accounts, and before providing additional reserves for depreciation).

*Less $1,229,903 transferred to capital in connection with change of Class "B" stock to shares of $1 par value.

†$387,710 appropriated in 1932.

§Less reserves, etc.

Two Holding Companies Dissolved

The assets and liabilities of International Utilities Corp., have in the consolidated statement, been combined with those of the following subsidiary holding companies as follows: American Equities Co., Cedar Holding Corp., Dulwich Corp., Edgecott Utilities Corp., International Public Utilities Corp., and Utility Shareholdings Corp., a Canadian corporation.

D. M. Chandler, president, in the report to stockholders states that as a measure of economy, International Stores Securities Corp., and International Shareholdings Corp., former subsidiary holding companies, were dissolved and their net assets transferred to International Utilities Corp. which is the sole stockholder.

Edgecott Utilities Corp. was formed during the year to hold securities of certain subsidiary public utility operating companies, which are subject to the plan of readjustment of General Waterworks and Electric Corp. This plan was declared operative on December 14, 1932, and proposes a substantial revision of the funded debt and capitalization of General Waterworks and Electric Corporation, together with grouping in a new company of the properties of seven companies. The opinion of the board is that this plan is highly constructive and will result in the ownership of a substantial controlling interest in the common stock of the new company, which will furnish water, gas and electric service through its subsidiary, having present annual gross revenues of about $4,000,000.

Dominion Gas Covers Interest

Canadians will have interest in the remarks of D. M. Chandler with reference to the company's important holdings in the first lien and collateral bonds, 6½ per cent series, and in the three year gold notes due July 1, 1931, of Dominion Gas and Electric Co. He remarked that the earnings for 1932 compared favorably with those of 1931 and that "notwithstanding the depreciation in Canadian currency the interest charges on the securities held by your corporation and its subsidiaries, which are U. S. dollar securities, continue to be more than covered."

The total of these holdings is not exactly stated as are those that are held by the company in its list of marketable securities. They are included in an amount of $6,650,180 under the item, "Other investments less reserves at December 31, 1932: bonds and notes $5,506,430; stocks, $1,143,750." The note states that substantially all of this amount is represented by bonds and notes in an aggregate principal amount of $7,641,000 and capital stock of 12 companies of which Dominion Gas and Electric Co. and Canadian Western Natural Gas, Light, Heat and Power Co. are prominent. It is interesting in this connection to note that on August 31, 1932, The Financial Post was informed, International Utilities Corp. owned $3,296,500 of the 6½ first lien and collateral trust bonds of Dominion Gas and that it held $3,000,000 in notes, including $65,400 of first preferred stock, the total was then appraised at $5,013,125. It then held $143,712 of Canadian Western Natural Gas Light, Heat and Power Co., 6 per cent preferred stock (2,328 shares).

Working capital of the company is still strong and though current assets are greatly reduced they are 7.13 times current liabilities as compared with 3.90 times a year earlier.

Working capital account is as follows:

WORKING CAPITAL

	1932 $	1931 $
Current assets	3,476,318	6,587,607
Current liabilities	487,334	1,688,705
Working capital	2,988,984	4,898,902
Ratio	7.13—1	3.90—1

Current assets include cash $384,921, secured loans receivable $1,318,273, notes and accounts receivable $68,244, securities sold and undelivered $11,600, cash dividends and interest receivable $95,563 and unadjusted debits of $196,249.

In the current liabilities dividends on the $7 initial series and $3.50 series 1931 prior preferred stock, payable February 1, 1933, and on the $1.75 preferred stock, series 1931, payable January 15, 1933, amounted to $171,435, accounts payable to $138,631, securities purchased and undelivered to $157,067, reserve for income taxes to $88,061, and liabilities for sinking fund for retirement of $7 prior preferred stock initial series $89,407. An amount of $68,470 is due to subsidiary companies. An amount of $1,210,975 is shown as a portion of net assets applicable to minority interests in subsidiary holding companies. Contingent liabilities are shown at $22,110.

Investments Analyzed

Marketable securities reduced to market values are shown at $1,509,317. The next item of $6,650,180 is shown as "Other investments, less reserve." Mr. Chandler states that these include principally investments giving to the corporation a control or other position of advantage and are carried at their estimated present day values or at cost, dependent upon the particular circumstances.

Investments in and advances to subsidiary companies left reserves shown at $5,975,020; an amount of $429,879 is pledged under bank loan of subsidiary companies. This includes the securities to be delivered to the new company provided for in the plan of readjustment of General Waterworks and Electric Corporation. This makes total investments $14,134,516.

As a rough and ready measure of the value of the investments of the company it is to be noted that $426,415 came from dividends and interest from subsidiaries, $150,345 in cash dividends from other investments and $612,360 as other interest received. The earnings of the operating subsidiaries are included only to the extent of accrued interest on indebtedness and dividends declared on capital stock.

It is interesting to note that among the marketable securities, the company includes 6,000 shares of American & Dominion Corp., having a market or estimated value on December 31, 1932, of $2,250, and 20,437 Class B shares of B. C. Power Corp valued at $83,585.

The two pages devoted to investments in and advances to subsidiary companies at the end of 1932 contain no references to Canadian companies.

Canadian transfer agents shown are National Trust Co. Ltd., offices at Montreal and Toronto and the Canadian registrars are Crown Trust Co. of Montreal and Toronto Agency Co., Toronto.

Capital Stock Revalued

Mr. Chandler points out that the statements do not include by way of consolidation the accounts of any of the operating subsidiaries, investments of which are carried in the balance sheet under the item of "Investments in and Advances to Subsidiary Companies" and incomes are included in the income account only to the extent of accrued interest on indebtedness of dividends declared on capital stock.

Lower valuation of capital stock in order to look after the depreciation of investments shown was made by changing the shares of Class B stock from shares of no par value to shares of a par value of $1 each, resulting in a net repuction of $4,706,837 in the amount of the corporation's stated capital and in the creation of a capital surplus of like amount. There was no change in the number of shares issued, nor the preferences, rights and privileges of the several classes of stock of the corporation. Mr. Chandler states that the change in Class B stock made possible economies in transfer and stamp costs to stockholders and in annual franchise taxes of the corporation.

The capital stock of International Utilities consists of 26,862 no par shares of $7 prior preferred initial series, 104,695 no par shares of $3.50 prior preferred series of 1931, 94,704 no par shares of $1.75 preferred stock series of 1931, 124,062 no par shares of class A stock, and 1,229,853 shares of $1 par value of class B stock.

OTTAWA PLANNING INTENSIVE DRIVE TO COLLECT DUTY

Evasion of Dumping Duty Extensively Practised, Ottawa Thinks

From Our Own Correspondent

OTTAWA.—Importers have every reason to regard with disfavor the budget amendment of the $4.40 dump duty against imports from Britain. The government intends to pursue this matter very vigorously and to collect the maximum amount of revenue which is possible. Officials of the National Revenue department are not yet certain as to the ramifications of what they term the evasions of this tax, and it is possible that government collections will not be carried to the point where large firms are financially threatened. But until the government is convinced of the danger of forcing collections, the policy will be to make a clean sweep of all moneys not paid under this dump duty.

The position is as follows: Early in October, 1931, when the British pound fell in terms of Canadian funds, the government issued an order declaring that settlement for British goods must be on the basis of $4.40 to the pound. The difference between the actual rate of exchange and $4.40 was to be paid to Ottawa as a dump duty.

Remitted at $4.40

Very early in the game, a few large Canadian importers decided to buy through British agents or subsidiaries and have their purchases exported to Canada priced at $4.40 to the pound. In this way there was no dump duty to be paid. Later on, about midsummer of 1932, many British manufacturers reversed this practice by shipping to Canadian agents at the $4.40 price.

The government, to the extent of its knowledge of the practice, endeavored to stop it by seizing goods or claiming dump duty. The government's legal right to do so was very much in doubt. Most of the business houses refused to pay, and Ottawa would not permit a test case to go to the courts.

The amendment announced by Mr. Rhodes in his budget, is designed to enable the government to compel payment of the dump duty from the day it was imposed until the present time. It will, also, remove any doubts in regard to the collection of the $4.25 dump duty in the future.

The retroactive feature of the legislation, admittedly, is open to criticism. It is a legal maxim that all retroactive legislation is bad. But the government needs the money and necessity knows no law.

However, it is not anticipated by officials of the treasury that collection of the unpaid dump duty will work much financial hardship on Canadian importers. It is thought that these importers have been well aware that the government did not agree with the system of evasion in common use, and, therefore, must have prepared for a day of final settlement. In other words, the government believes that the money these importers, or their principals in Britain, saved as a result of not paying the dump duty must have been set aside in reserve pending the time when they could be sure they would not be called upon to settle with the tax collectors. Now that they must pay up, the belief exists that the cash will be forthcoming without impairing their financial positions.

Alberta Agricultural Production

The value of all agricultural production in Alberta during 1932 season, according to a preliminary statement included in the annual report of the provincial Department of Agriculture and in the annual budget address of the provincial treasurer, is placed at $117,900,000.

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